

THE MARKETING OF UNIVERSITY LIBRARIES
WITH SPECIAL REFERENCE
TO SOUTH AFRICAN UNIVERSITY LIBRARIES

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SUMMARY

The investigation was undertaken to establish, in the first place, whether it is correct to assume that university library managers in South Africa do understand the main tenets of marketing. Secondly, the investigation was undertaken to determine whether these librarians actually do implement some or all of the principles of marketing in the management of their libraries.

The study was carried out in two parts: a literature survey and an empirical investigation. The investigation was confined to university libraries in South Africa.

The literature survey of the relevant marketing literature had a twofold purpose. In the first place, the marketing of libraries could only be properly appreciated within the context of understanding what is meant by marketing. Secondly, it was an underlying assumption of the investigation that in order to determine whether the management of South African university libraries did understand and apply the principles of marketing, the questions posed to them in the survey would of necessity have to reflect the principles, concepts, terminology and techniques of marketing, as established in the literature survey.

The survey of marketing literature therefore endeavoured to establish clearly the main tenets of marketing and the techniques of marketing planning, the broadened marketing concept which has extended marketing to nonprofit organizations, and, the significance of the interactive relationship of services marketing.

A survey of the relevant literature of librarianship was undertaken to gain an insight into how marketing was perceived by the Anglo-American library world. It was against this broader background of the literature of librarianship that the South African experience was considered.

As part of the empirical investigation a questionnaire was constructed and mailed to the respondents in order to determine whether the principles of marketing are understood and implemented by university libraries in South Africa.

The analysis of the data obtained from the questionnaire indicated that the management of South African university libraries have a general understanding of the principles of marketing, although at present only a small minority have an in-depth knowledge of it.

From the analysis of the data it is also apparent that South African university library managers to a greater or lesser extent do carry out some of the main activities of marketing, although, for the present, they do not necessarily consider that they are implementing formal marketing planning in their libraries. Only a small minority of university libraries are actually engaged in some formal marketing activities.

PREFACE

Although the researcher accepts full responsibility for this study, it is essential that the help which was received from so many people be acknowledged.

In the first place, without the willing co-operation of the respondents, including the respondents to the pilot survey, this study would not have been possible. Although the respondents are all busy senior library managers, they gave up their valuable time freely to complete the questionnaire sent to them. The researcher wishes to thank them sincerely for their friendly participation in this investigation.

Without the assistance of the Institute of Biomedical Communication of the Medical Research Council, and in particular the generous help given by Mrs Etricia van der Merwe, it would not have been possible to produce a questionnaire that was not only pleasing to the eye but also in a lay-out that facilitated its completion by the respondents. A whole-hearted thank you is also extended to Mrs J G Smith, Professor J G Kesting and Dr M Nassimbeni for their constructive criticism during the drafting of the questionnaire.

The researcher extends his heartfelt appreciation to Mrs Glaudia Philips for the many diagrams which she had drawn so neatly and clearly. Mr G le Roux of the Committee of University Principals is thanked for providing the researcher with a list of all the full and associate members of the Inter-University Library Committee of the Committee of University Principals.

The researcher wishes to thank his promoter, Mrs D L Ivey for her constructive advice, helpful guidance and sympathetic support throughout the study. At the same time, without the generous support of the researcher's own Director, prof J H Viljoen, it would not have been possible for the researcher to find the time to complete this study.

It is with deep gratitude and sincere appreciation that the researcher acknowledges the unfailing moral support from his family, and in particular, the family burden that his wife had to bear during the writing of the study. Without her encouragement and loving support it is doubtful whether this study ever would have been completed.

Finally, the researcher wishes to dedicate this study to his mother, Ensle Syphus, who had so much wanted to see her son obtain his Master's degree, but passed away on the 15th March 1990 at Sedgfield before the work was completed.

Chapter 1

INTRODUCTION

1.1. THE MOVEMENT TOWARDS THE MARKETING OF LIBRARIES

In recent years there has been increased attention given in the literature of librarianship to the applicability of marketing as a management tool for librarians in a changing user environment.

Two decades ago, librarians were told to take "the whole question of marketing more seriously", otherwise they might find their functions as librarians being subverted (Cronin, 1970: 52). A decade later a similar view was expressed warning librarians that they would return "to a 'warehouse' role not very far into the future" unless attention was given to the philosophy of marketing, which alone would enable their libraries to "operate efficiently and profitably" (Condous, 1983: 409).

In the same way Ewing pointed to the "shrinking budgets" of libraries during the 1970s and maintained that librarians should now be "evaluating their operations and analyzing their constituent populations, aiming to redefine and refine the future purpose of the library and develop a new relationship with their environment". In the opinion of Ewing, the "growing acceptance of marketing techniques developed by Philip Kotler, and others for use or adaptation by nonprofit organizations" provides librarians with the necessary management tools to cope with a changing and at times threatening environment (1984: 15). Writing at the beginning of the 1980s Cronin similarly foresees the role of the librarian as information intermediary being seriously threatened by the rapid development of information technology (e.g. expert systems, electronic journals, etc.) (1982: 386-388). In the face of this potentially threatening technological environment, Cronin deprecated the apparent lack of enthusiasm in the library community for the principles of marketing which

he ascribes to the "professional myopia" of librarians who see themselves to be concerned with books rather than communication. According to Cronin, librarians have failed to adapt to the changing conditions of the communities they purport to serve (1984a: 36).

The hostility of librarians to marketing can, perhaps, further be attributed to a professional uneasiness with the profit-orientated, commercial approach associated with marketing (Shapiro, 1980: 470; Condous, 1983: 408). It is argued that the focus of libraries is quite different from that of the business sector. Libraries perform a social role in their communities, so there is "a risk that an imbalance in services might occur" if the technique of market segmentation should be applied (Jennings, 1984: 15). Essential services may be eliminated if there is an undue emphasis on the cost effectiveness of services provided, and certain individuals or groups of library users could find themselves no longer served by their local library (Jennings, 1984: 16).

It is maintained by Ewing, however, that the presence of marketing-orientated articles in the literature of librarianship is more than an infatuation with a "fad". Rather, it is an indication that for librarians marketing has become "an information gathering and yielding system that employs the insights of established disciplines not generally associated with the business world ... [such as] economics, psychology, sociology, and social psychology (1984: 16).

In spite of the doubts he had expressed, Cronin feels sanguine about the future of librarians because it is his belief "that the advent of the electronic information will force many librarians to think closely about the practical relevance of marketing theory and practice for their professional activities" (1982: 389). He expresses the view that the "point about a marketing mentality is that it compels an organization or individual to ask and answer a number of

basic questions about the goals, purpose and functions of a particular service" (1982: 389). Marketing is "a management philosophy which aims to put the service provider (in this case the librarian) in the driving seat". Cronin states his conviction that a library that applies the marketing approach will increase its user satisfaction (1982: 380-381).

Early in the 1980s the belief was expressed that during the decade following there would be among librarians a greater acceptance and application of the marketing principles as developed by Philip Kotler and other marketers (Ewing, 1984: 15; Leerburger, 1982: 6-7). The growing interest and enthusiasm of librarians for marketing prompted Cronin to make the prediction, in a paper delivered at the Information Management Symposium held at the University of the Western Cape in 1985, that by the end of the decade marketing would "have become a wholly natural and integrated aspect of information services management" (1985: 115).

In South Africa, in recent years, apart from the above-mentioned 1985 Information Management Symposium, papers have also been read at various SAILIS national conferences (e.g. Pretoria, 1985 and Cape Town, 1988) on the marketing of libraries. Similarly, over the past five years a few South African librarians have shown a growing interest in the marketing of libraries, including university libraries. Van Niekerk concludes, after examining the main tenets of marketing as well as a philosophy of librarianship, "that the marketing concept is indeed compatible with current library philosophy" (1985b: 182). Pienaar maintains that the library can only adapt to a changing and threatening environment by accepting the marketing concept (1988: 216). Marketing is described by Terblanche (1989: 179) as a management style based on a service philosophy that is user-orientated rather than product-orientated. He maintains therefore that librarianship with its valuable product, information, which it offers and promotes within a competitive environment to its users, finds itself today in a typical

marketing situation (1989: 180). Similarly, the marketing of libraries is recommended by Van Dalsen (1989: 177).

1.2. PURPOSE OF THE STUDY

The theme that occurs often in the Anglo-American literature of librarianship is the importance of marketing for library managers. It is the underlying assumption of the above-mentioned South African conference papers and journal articles that the audience and readers are familiar with the marketing concept and the principles of marketing. The question, therefore, arises as to whether, in the first place, this assumption is correct and library managers in South Africa do understand the main tenets of marketing, and, secondly, whether they do actually apply some or all of the principles of marketing and the techniques of marketing planning in the management of their libraries.

Taking into account that this is an investigation into a relatively new field of research for which, in the South African context, there is little or no empirical evidence available, the formulation of a hypothesis or hypotheses is considered to be inappropriate for this study. Consequently, the present investigation will be undertaken within the scope of the purpose as stated above.

It is then the purpose of this present study to establish whether marketing has become, as suggested by Cronin, "a wholly natural and integrated aspect" of library management in South Africa. It has been decided, however, to focus the study on the marketing of university libraries. In the literature of librarianship (cf Chapter 5) marketing would seem to be associated more often than not with public libraries. It is the intention of this study to determine whether the principles of marketing are also applied by university libraries.

1.3. UNIVERSITIES IN SOUTH AFRICA

In South Africa, the first higher educational institution was established only in 1829 with the founding of the South African College in Cape Town (Dalton, 1988: 236). Thereafter, several university colleges were established in the second half of the nineteenth century, while almost all the remaining universities were founded later in the present century. Today there are twenty-two universities, including the 'ethnic' universities of the so-called homeland and independent national states (Dalton, 1988: 242). Initially, the university colleges that were founded during the previous century offered tuition, but did not conduct their own examinations. The University of the Cape of Good Hope was accordingly established in 1873 to act as the examining body for these colleges. It became incorporated into the University of South Africa in 1916, which continued as the examination body for a number of academic colleges. The Universities of Cape Town and Stellenbosch were the first two colleges to gain their independence as academic institutions in 1918, followed by the universities of the Witwatersrand (1922) and Pretoria (1930). After the Second World War the so-called second generation of universities became independent from the University of South Africa, viz.: Rhodes University (1951); the University of Natal with its two campuses at Durban and Pietermaritzburg (1949); the University of the Orange Free State at Bloemfontein (1950); and the Potchefstroom University for Christian Higher Education (1951). All of these universities, while theoretically open to all ethnic groups until 1959, were, in practice, largely intended for the white population of the country. In 1946 the University of South Africa became a distance-teaching university open to all races (Dalton, 1988: 239-240; Kesting, 1980: 181-182). During the 1960s, when both the United States and Great Britain were experiencing a "rapid growth in higher education generally" (Stirling, 1980: 13), a further two universities for whites were also established in this country, viz.: the only official bilingual residential

University of Port Elizabeth (1965) and the Afrikaans-medium Rand Afrikaans University (1968) (Kesting, 1980: 183).

The second half of the twentieth century saw the founding of a further nine, mainly black universities in South Africa. The University of Fort Hare was already in existence. Having been founded as a dependent college in 1916, it became independent in 1970. These ten universities were intended by the Nationalist government of the day to serve the higher educational needs of the separate black ethnic groups in South Africa and include the Universities of Zululand (founded 1959, independent 1970), the North (1959, 1970), Durban-Westville (1961, 1971) the Western Cape (1960, 1971), the Medical University of South Africa (1977), the multi-campus Vista University (1982), and the Universities of Transkei (1977), Bophuthatswana (1978) and Venda (1981) (Kesting, 1980: 181-182; Dalton, 1988: 240,242).

The libraries of these twenty-two universities form the survey population for this investigation (cf 6.4).

1.4. WHAT IS MARKETING

1.4.1. Some definitions

Before proceeding with this study, it is essential that there should be a clear understanding of what is meant by marketing.

Although marketing has been defined differently by a number of writers on the subject, certain similarities in their definitions can be discerned. Kotler (1983: 6) has defined marketing succinctly as "human activity directed at satisfying needs and wants through exchange processes", and a similar idea has been expressed by Schoell (1985: 6):

Marketing involves individuals and organizations performing functions that seek to satisfy human wants by facilitating exchange relationships.

A slight variation on the above definitions is offered by Pride and Ferrell (1985: 9):

Marketing consists of individual and organizational activities aimed at facilitating and expediting exchanges within a set of dynamic environmental factors.

Common to all of these definitions is the idea that marketing is an activity undertaken by individuals and organizations involved in exchange relationships that satisfy human needs and wants.

One of the underlying principles in marketing is the satisfaction of human needs and wants. A human need, according to Kotler (1983: 6) "is a state of felt deprivation in a person". This feeling of deprivation creates tension within the individual. The greater the tension the stronger the need. The individual seeks something in his or her environment that will satisfy the need (Schoell, 1985: 139; Lipson and Darling, 1974: 231; Kotler, 1983: 6). According to the psychologist Abraham Maslow humans seek, to a varying degree, satisfaction of basic physiological needs such as thirst and hunger, as well as more developed needs such as physical safety, social acceptance, self-esteem, and, self-actualization (cf 3.1.5.1.1. and figure 3.4) (Kotler, 1982: 237; Schoell, 1985: 139).

At the same time, marketing theorists make a further distinction between needs, and, wants and demands. Wants are the cultural expression of human needs such as a home security system that satisfies the basic need for physical safety. However, although people of different climates, cultures, and socio-economic levels may exhibit varied wants, the need that underlies the want, no matter how it is expressed, remains the same (Kotler, 1983: 7; Lipson and Darling, 1974: 231).

On the other hand, although people tend to have unlimited wants, their demands for products or services are limited by their available resources. "Their wants become demands when backed by purchasing power" (Kotler, 1983: 7). Lipson and Darling express a similar concept: "demand is willingness to

buy plus ability to pay" (1974: 399). Provided the attributes of a product satisfy the want of the consumer at a price he or she can afford, a demand for the product can be created (Kotler, 1983: 8).

The product that the actual and potential buyers need or want can be "anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need" [emphasis added] (Kotler, 1983: 8). The product, therefore, is not only a physical entity or good, but can include an intangible "psychological benefit and emotional benefits which possess the ability to satisfy the consumer's needs and preferences" (Lucas, 1983: 7). The possession of a motor car, for example, provides the physical benefit of transportation from one place to another, but it also satisfies personal esteem needs such as status. Accordingly, the marketed product can be either a good, a service, a person, place, activity or idea.

Fundamental to marketing is the exchange relationship that exists whenever something of value or benefit is offered by one party to another party in exchange for some other value. There are at least two parties in an exchange relationship, either individuals, informal groups and organizations, or, any combination of the aforementioned, who must want to reach an exchange agreement. For the exchange relationship to be successful both parties should agree on the conditions, the time, and the place of the exchange, as well as be able to communicate with one another. At the same time, both parties should be willing and able to give up the something of value they hold in order to receive the value which the other party possesses (Kotler, 1982: 6,11; Schoell, 1985: 6; Pride and Ferrell, 1985: 11).

For the enterprise, the benefit of the exchange relationship lies in the fulfillment of its organizational objective. Whether the objective of the enterprise is to earn a profit, or to provide a social service, it can only be attained by

satisfying the needs of the market through the product offer. The correlation between the customer's satisfaction and the success of the serving organization fulfilling its objective is central to the concept of marketing (Lucas, 1983: 6).

1.4.2. The marketing concept

The marketing concept, traditionally, has been defined as consisting of three fundamental principles which reflect the above definitions of marketing. The three principles are as follows:

- * an orientation towards the customer through the identification of his or her needs, wants and behaviour;
- * an integrated effort of all the resources of the enterprise to develop a product offering that satisfies the needs and wants of the customer; and,
- * the maximization of profitability in the long term through customer satisfaction [emphasis added] (Lucas, 1983: 24-26; Lipson and Darling, 1974: 11-13; Schoell, 1985: 16-18).

In Chapter 4 (cf 4.1) some further attention will be given as to how the marketing concept was developed and broadened over the years by marketing theorists so that the concept could be extended from profit-orientated organizations to nonprofit and service organizations. For the present it suffices to emphasize that, essentially, the marketing concept enables any organization to achieve its objective (e.g. the making of a profit, or, the dispensation of social benefits, etc.) by integrating all of its resources towards the satisfaction of its customers' needs. It was noted above (cf 1.1) that librarians have been warned that they should adopt the theories of marketing if they wish to continue satisfying the needs of their users in a changing and often threatening environment. In Chapter 5 (cf 5.1) it will be shown how the marketing concept has been perceived to be applicable for those libraries which endeavour to satisfy the needs of their users.

1.5. PROPOSED METHOD OF INVESTIGATION

1.5.1. Literature survey

In order to determine whether the principles of marketing are being practised in South African university libraries it will be necessary to precede such an investigation, firstly, by establishing what is meant by marketing; secondly, by verifying whether the marketing is applicable in the management of nonprofit service organizations such as libraries; and, thirdly, by ascertaining to what extent the library profession has accepted the principles of marketing.

Accordingly, Chapter 3 will be devoted to a survey of relevant marketing literature, to establish clearly the main tenets of marketing and the techniques of marketing planning. It has been decided to limit the survey to Anglo-American publications mainly because of the similarity of the business background to that found in South Africa. The principles and techniques of marketing, honed on the anvil of experience over many years, have crystallized into a universally accepted body of knowledge which is reflected in numerous marketing textbooks. The fairly detailed examination of several of these classic marketing textbooks in Chapter 3 will have a twofold purpose. In the first place, the acceptance of marketing in the literature of librarianship can only be properly appreciated within the context of understanding what is meant by marketing. Secondly, it is an underlying assumption of the present investigation that in order to determine whether the management of South African university libraries do apply and understand the principles of marketing, the questions which will be posed to them in the survey should of necessity have to reflect the language of marketing (cf 6.5.1).

Furthermore, in Chapter 4, an examination will be undertaken of the literature relating to the broadened marketing concept which has extended marketing to nonprofit organizations,

together with the interactive relationship which is characteristic of services marketing. Since all libraries, including university libraries, are essentially nonprofit service organizations, the findings of the literature survey in this chapter will be of particular importance when considering the marketing of university libraries.

Finally, before determining whether the managers of South African university libraries do apply the principles of marketing and the techniques of marketing planning in their libraries, it will be necessary to establish whether in fact the principles and techniques of marketing have found general acceptance in the Anglo-American library world. Accordingly, in Chapter 5, a survey of the relevant literature of librarianship will be undertaken to gain an insight into how marketing is perceived by librarians elsewhere. It will therefore be against the broader background of the Anglo-American literature of librarianship that the South African experience will be considered.

1.5.2. Empirical investigation

In order to determine whether marketing is practised by university libraries in South Africa, an empirical investigation was required. The methodology to be used in this investigation to obtain the essential data is described fully in Chapter 6. The respondents to the questionnaire who may be either the director of library services or the university librarian, are defined in 1.3 and 6.4. The data that will be obtained from the returned questionnaires is described and analyzed in Chapter 7. The conclusions that can be inferred from this analysis will be considered in Chapter 8 against the background of marketing as described in the literature survey chapters of this study.

librarian
in charge

Chapter 2

UNIVERSITY LIBRARIES: THEIR PURPOSE, FUNCTIONS, USER NEEDS AND THE ENVIRONMENTAL CHALLENGE

2.1. THE PURPOSE OF THE UNIVERSITY

The main purpose of the university has been described by Karl Jaspers as a search for the truth. For Lord Annan the university's main concern is, firstly, with scholarly reflection, and secondly, with conveying culture to the next generation (Higham, 1980: 9). However, Higham suggests that in the United States "the advancement of knowledge ... serves as the principle training ground for those who carry on investigation in government, industry, the services and other fields" (1980:10). Accordingly, the trend in American universities has, to a large extent, been towards professional education. Nearly 60 percent of American college students during the 1980s pursued "a wide range of professional and occupational studies" (Moran, 1989: 27). A similar trend towards professional training in British universities is noted by Higham. At the same time, Higham does point out that both American and British university teaching staff and researchers are still largely "dedicated to the task of discovering new knowledge" through their research and publications (1980: 9-10).

In South Africa, according to the Van Wyk de Vries Report of 1974, the primary purpose of university education "is the advancement of knowledge by independent study, teaching and research" (Dalton, 1988: 236). In 1985 the Inter-University Library Committee of the Committee of University Principals defined the main purpose of the university as including tertiary education, research, the general development of students, and services to the community (Dalton, 1988: 236-237).

2.2. THE PURPOSE OF THE UNIVERSITY LIBRARY

In its report of 1976, the British University Grants Committee states that the university library¹ is "the core of a university" and that it serves

all the functions of a university - teaching and research, the creation of new knowledge and the transmission to prosperity of the learning and culture of the present and the past (Higham, 1980: 11).

According to Stirling, the university library "exists primarily to serve" the study, teaching and research needs of the university's constituent members (1981: 1). Elliott sees the mission of the library "quite simply as the supporting of the teaching and research functions of the university through the provision of library services" (1987: 145). This view is endorsed by Thompson and Carr who similarly stress the educational support function of the university library, and they quote M A Gelfand to underpin their argument that the university "should not be operated as a mere storehouse of books attached to a readingroom, but as a dynamic instrument of education" (1987: 13-14).

Similarly, in the South African context, the main purpose of the university library is defined by Dalton as supporting the educational and research information needs of the university community (1988: 244-245). The information needs of undergraduate students following structured courses are mainly educational, while for postgraduate students and the academic staff their information needs are largely research-orientated (Willemse, 1987: 271).

1 The academic library, according to both the ALA Glossary of Library and Information Science (1983), and Harrod's Librarians Glossary (1987), is found in all post-secondary institutions of education and includes colleges, polytechnics, and universities. The university library, therefore, is only one of several forms of the academic library. In this research study, when the term academic library is used, it is intended to refer only to university libraries.

2.3. THE FUNCTIONS OF THE UNIVERSITY LIBRARY

There are certain functions which the university library carries out to achieve its goal of meeting the needs of the users. These functions may be categorized as:

- * identifying the various user groups of the university and their information needs;
- * selecting and acquiring the necessary information sources;
- * cataloguing and indexing these information sources;
- * disseminating the required information and information sources essential for the university's tasks of teaching, research, study and management; and
- * educating users groups to use the library and its resources effectively (Dalton, 1988: 245).

Elliott maintains that the provision of access to sources of information is still one of the academic librarian's main tasks:

It is access to information, in whatever form it is embodied, that we must guarantee, on terms which our user group can afford or, at least, find acceptable" (1987: 146).

An important means of providing physical and intellectual access to the information sources held by the library is through the functions of cataloguing, classification and indexing. Access is further enhanced through the library's circulation function, which enables the users to borrow the information sources they require. The function of inter-library loans also facilitates access by providing the users with those information sources that are not available in the library's own collection (Dalton, 1988: 251; Eatwell, 1981: 102,111; Stirling, 1980: 27). Access to information sources is further enhanced by the library's reference services, which guides and educates its users in the use of bibliographic resources, as well as providing a reference and information service (cf 2.4) (Moran, 1989: 36; University Grants Committee, 1967: 122).

To ensure that the acquisition function fulfills the information needs of the library's users, information sources that are essential for the university's study, teaching, research and management activities are evaluated and selected. This process is usually referred to as collection development. The purpose of collection development is not merely to obtain what is currently being published, but also to ensure that the library acquires a balanced collection of print and non-print sources that will fulfill the information needs of all its constituent users. In the past, collection development was largely accomplished with the assistance of academic staff and academic departmental representatives. However, in recent years a number of British and South African university libraries have given the main responsibility of evaluating and selecting information sources to their subject reference librarians (cf 2.4) (Dalton, 1988: 249-250; Thompson and Carr, 1987: 74-75; Moran, 1989: 29,37; Higham, 1980: 37-38,42,45-46).

2.4. EMERGENCE OF THE SUBJECT REFERENCE LIBRARIAN

During the 1960s many British university libraries adopted the Fachreferenten system of German university libraries and appointed subject specialist librarians who usually were made responsible for selection, cataloguing, and readers' services in a particular subject field (Stirling, 1980: 17; Eatwell, 1981: 114; University Grants Committee, 1967: 144). The information services provided by the subject reference librarians have evolved into a pattern that includes "library instruction, compilation of bibliographies, current awareness services, and online literature searches" (Eatwell, 1981: 110).

In South Africa, subject reference librarians have been introduced into a number of university libraries. These subject reference librarians are largely responsible, firstly, for the selection and development of the library's information sources. This responsibility sometimes extends to

their cataloguing, classification, and indexing these sources. Secondly, they are responsible for the provision of bibliographic reference and information services, and, user education to the academic community. Thirdly, subject reference librarians are also responsible for liaising with various user groups in the academic community (Dalton, 1988: 253; Colenbrander, 1984: 24-26).

2.5. THE ACADEMIC COMMUNITY AND ITS INFORMATION NEEDS

2.5.1. The university library's user groups

If the main purpose of the university library is defined as meeting the study, teaching and research needs of its constituent users (cf 2.2), then three main user groups can be distinguished, viz.: the student body, the academic (teaching) staff, and the researchers. On the one hand, it is usual to differentiate between the undergraduate and post-graduate students since their information needs differ. Undergraduate students require essentially a well-selected, general collection of multi-copy reading material, whereas post-graduate students usually require an in-depth, specialized, balanced and well-maintained research collection. On the other hand, a distinction should be made between the information needs of the academic teaching staff and the researchers, although the same person could be responsible for both roles. The teaching staff require a balanced and up-to-date collection of information sources to maintain and update their theoretical and technical knowledge. Researchers, however, need to be kept informed of current research and require convenient access to information sources, either from the collection of their own university library, or borrowed on their behalf from another library (University Grants Committee, 1967: 10-13; Dalton, 1988: 246-248; Stirling, 1981: 16).

Apart from these three main user groups, university libraries often identify a further two user groups, viz.: the

university administration and the outside community. Dalton draws attention to the information needs of the university administration, which "should not be neglected" (1988: 248). Watson and Boone argue that "it would be a benefit to both the academic library and its parent institution for the library to provide a specialized, direct, information support service to identified senior administrators of the college or university" (1989: 65).

University libraries, however, have found that increasingly their user groups are no longer confined to the campus. Of the more than 12 million American university students only some two million are fulltime and resident on campus. Many attend university courses on a part-time basis (Moran, 1989: 27). Consequently, university libraries are required to give "full attention to providing off-campus students with the same level of services available to on-campus students" (Kascus and Aguilar, 1988: 29). Off-campus service has also been extended beyond the academic community. In Britain, the university library "has never considered its services as being exclusively confined to members of the university", even though it is primarily financed to serve the teaching and research needs of the university (University Grants Committee, 1967: 14).

In South Africa, the information needs of the off-campus community are also seen to be the concern of the university library, "since the user has probably been unable to obtain information elsewhere" (Dalton, 1988: 248). According to the South African Post-Secondary Education (SAPSE) manuals of the Department of National Education, as well as the statement made by the Committee of University Principals (CUP) (cf 2.1), community service is an important responsibility of the university. Consequently, an extended role of the university library is, firstly, to support the academic staff in their service to the community; and secondly, to deliver a direct service to the community, provided that this does not conflict with its primary goal of supporting

the teaching and research functions of the university (Swanepoel and Boon, 1986).

2.5.2. The satisfaction of the academic community's information needs

Higham distinguished assistance to users on three levels: "first, helping them to use the library; second, helping them to use the literature; and third, using the literature for them" (1980: 110). The first level is a minimum information service which only directs the user to an information source, a service usually performed by the Reference Desk personnel. The second level of assistance is an intermediate information service which supplies the bibliographic reference of the actual information source, a service most often rendered by the subject reference librarian. The third level is a maximum information service where the actual information is evaluated and supplied in answer to specified problems, a service still rarely offered by university libraries (Dalton, 1988: 252).

Blom has described the purpose of an information service as contributing to the successful fulfillment of the user's task. Consequently, he defines an information need as those information inputs the scientist or scholar requires to fulfill his or her task successfully (1981: 34). A useful distinction is made by Dalton between the long-term, prospective information need of users to be kept informed in their field of study or research, and the short-term, immediate information need of users for a particular item of information required to fulfill a task, such as a seminar paper, lecture, or journal article. In the university context, undergraduates have immediate information needs, whereas academic staff, researchers, postgraduates, and the university's management have both short- and long-term information needs (1988: 246).

According to Blom (1984: 5,8), user satisfaction is far too subjective a criterion for an information service to adopt

since it fails to take into account the influence that the user's personal, social and scientific environment has on his or her demand for information. Consequently, to deliver an information service that contributes to the successful fulfillment of the task of the user it is necessary to take into account the influence of the scientific paradigm adopted by the user. A science is defined by Blom as a dynamic process that uses certain logical and systematic methods to establish within a conceptual framework (paradigm) an understanding (knowledge) of a specific problem area or field of study. A science, in the sense as defined here by Blom, would constitute any intellectual field of enquiry or discipline. Blom claims that, in the main, the boundaries between scientific disciplines are determined by their problem areas. The effective delivery of an information service, therefore, is dependent on understanding the paradigm of the science, its procedures and techniques, as well as its specific problem. At the same time, according to Blom, the work environment of the user has a direct influence on his information needs. For instance, the goal of the organization - an orientation towards either profit, or service, or knowledge - would determine the nature of the problem under investigation. Similarly, the communication behaviour of the users inside and beyond the organization may have a direct influence on their information needs. Blom maintains that the social context in which the users operate (e.g. the work team), their professional associations (e.g. "the invisible college"), and also personal factors (e.g. a need for recognition, and, competition) strongly influences the information needs of individual users (1981: 35-37).

User information studies, according to the extensive literature survey undertaken by Faibisoff and Ely (1976: 9), have shown that the users of information tend to seek and use information that is the most accessible. They also follow the same information-seeking habits acquired over the years, and remain, therefore, ignorant of many alternative information sources. These information user studies, according to this

same survey, also suggest that information services should identify specifically what the user "actually needs or requires for what he is doing", and should also identify the discipline or environment in which his or her need arises. At the same time, the information should be in a form most suitable for effective use, the right amount of information should be given at the right time, and, the information service should adapt to the information-seeking behaviour of the user rather than the converse (1976: 12-14).

The university library in Great Britain and the United States tended previously to provide a rather passive reference service, and referred its clients mainly to information sources. However, as Higham and Dalton note above (cf 2.5.2), there has more recently been a greater emphasis on the optimum level of information service that can be offered to the university library's users. From the above-mentioned user studies and Blom's theory concerning the task-fulfillment need for information, it would seem reasonable to conclude that the information services of present-day university libraries are faced with the considerable challenge of providing need-orientated services which must strive to satisfy the task-fulfillment requirements of its various constituent user groups.

2.6. ENVIRONMENTAL THREATS TO AND OPPORTUNITIES FOR UNIVERSITY LIBRARIES

Since the rapid growth years of the 1960s in terms of library collections, staff and services (Stirling, 1980: 13; Moran, 1989: 27), university libraries in Great Britain, the United States and South Africa have been experiencing considerable financial constraints which threaten to undermine their services to their users. At the same time, the revolutionary changes that Information technology underwent during the 1970s and 1980s, offer considerable opportunities for university libraries, enabling them to serve their users' information needs more effectively.

2.6.1. Financial threats

The severe financial difficulties that university libraries in the Anglo-American world underwent during the 1970s and 1980s can be ascribed as much to the decline in financial support by the authorities for higher educational institutions as to inflation. Since 1976 there has been a general downward drift in the university library's share of the total university budget. The allocation of the library budget seems to depend less on need than on available revenue (Moran, 1989: 30). Furthermore, constrained budgets could no longer keep pace with the rapid increase in the cost of books and journals. In the United States, during the 1970s, the price of the average hardcover book more than doubled, while journal subscriptions outstripped book costs with increases of some 239 percent over the same period (Walton, 1982: 184). In an effort to maintain at least their journal subscriptions, university libraries have tended to cut book budgets in favour of their journal budgets, resulting inevitably in an imbalance between monographs and serials. It is no longer possible to maintain former acquisition levels of monographs, while journal collections have failed to keep abreast of new publications (Stirling, 1980: 21-22).

South African university libraries have experienced similar financial constraints as the government has failed to meet the university subsidy allocation recommended by the Van Wyk De Vries report (Gerryts, 1987: 259). This situation has been further exacerbated by the collapse in 1984 of the rand's exchange rate value against the world's major currencies.²

2 At that time, the researcher, as university serials librarian, personally experienced the disastrous effect that this event had on the library budget. The immediate result was that the cost of serial subscriptions far exceeded the library's entire budget for both books and serials. In that year very few books were bought as the university's available financial resources were used to pay the serials subscriptions.

Internationally, the escalation of serial subscription prices has continued unceasingly throughout the 1980s, with many academic journal publishers in Europe (for example Elsevier and Kluwer) and in Britain (particularly Pergamon) doubling and even tripling their prices (Dougherty, 1989: 59).

2.6.2. The information explosion and library budgets

At the same time as that university libraries were experiencing financial constraints on their budgets, the information explosion, which had started after the Second World War, continued unabated. The number of academic monographs published worldwide increased overall by some 14 percent annually during the 1960s and a further 12,8 percent during the 1970s (Moran: 1989: 28). In the United States alone the number of new scholarly monographs published annually increased from 3 000 (1960) to 15 000 (1980). In the same period the number of scientific and technical journals published internationally increased from around 20 000 to some 50 000 titles. Although university library budgets in the United States had increased by 91 percent between 1969 and 1979, the number of volumes (books and periodicals) added to library collections declined by 22,5 percent (Walton, 1982: 184). At the end of the 1980s, a survey of American research and university libraries revealed that serials cutbacks had continued, ranging between 8 to 12 percent, with the consequence that most university libraries were struggling to maintain balanced acquisition programmes. University libraries seem to be caught up in the competitive 'publish-or-perish' academic environment that has increased the demand for the core, prestigious journals, which, in spite of the consequent frequent price increases, are cancelled by university libraries at the risk of antagonizing their academic users (Dougherty, 1989: 60).

2.6.3. Resource sharing

Constrained library budgets, higher prices and the information explosion has meant that although the financial expenditure of university libraries had been considerably higher during the two decades following the 1960s, fewer information sources have actually been acquired. Thus, increasingly, libraries have turned to resource sharing (Walton, 1982: 187-188).

During the 1980s, particularly in the United States but also in South Africa and elsewhere, university libraries have been forced "by the hard realities of increased publication and decreased budgets" to recognize that "no library, however large, can be self-sufficient but instead must be part of a system in which users are linked to needed resources in other collections" (Moran, 1989: 29). It has become necessary for academic librarians to find ways of supporting the current teaching and research needs of their own users, while giving support to regional cooperative collection development. Such an undertaking necessitates collection evaluation to help highlight the strengths and weaknesses of the combined collection of the region (Elliott, 1987: 149-150). Nevertheless, according to Dougherty, resource sharing will not provide a permanent solution for spiralling serials subscription prices since, in his view, further "cancellations will simply trigger additional rounds of price increases to the remaining subscribers as publishers strive to protect their revenue streams" (1989: 60-61).

In South Africa, cooperation and resource sharing among university libraries were placed on a formal basis in 1975 with the founding of the Inter-University Library Committee (IULC) by the Committee of University Principals (CUP). Since full membership of the IULC is limited to members of the CUP, the university libraries of the 'ethnic' universities of the homeland and independent national states only enjoy associate membership. In effect, however, the IULC represents all

twenty-two university libraries within the borders of South Africa. From its inception the IULC has concerned itself with the problems of rationalization and cooperation with regard to collection development. Of particular concern to it has been the duplication of little-used, costly books and serials by university libraries. With the deteriorating financial conditions in the country during the mid-1980s, cooperation among South African university libraries received a fresh impetus. The CUP urged anew for rationalization among universities regarding education, research, and the acquisition of expensive books and periodicals. At the same time it has been recognized that effective national cooperation is dependent on individual university libraries being able to develop collections that are relevant to the needs of their own users. Cooperative resource sharing should not be an excuse for individual libraries avoiding their primary task of accurately anticipating and identifying the needs of their users (Gerryts, 1987: 258-261).

2.6.4. Information technology: opportunities and threats

The information technology developments of the 1970s and 1980s were adopted by librarians as opportunities to make their daily, routine tasks considerably easier, especially with the computerization of such library functions as cataloguing, circulation and financial record-keeping (Moran, 1989: 35; Thompson and Carr, 1987: 128). Furthermore, the computer-based bibliographic library networks that developed during the 1960s in Great Britain and the United States, had, by the early 1980s, grown to such an extent that three out of every four British university libraries, and the majority of research libraries in the United States, were sharing online bibliographic records, abstracting, and information retrieval facilities (Walton, 1982: 196-197; Stirling, 1980: 26-27). Information technology has been seen by librarians to offer their institutions an opportunity "of becoming much more important, because with the rise of data base searching, and the information explosion, they can be-

come a central element in the information 'business' (Harris, 1983: 53). It has been argued that the particular strength of libraries lies in actively linking their traditional role as providers of the information sources they store in their own libraries, or in local cooperative library networks, with an online information service retrieved from external electronic databases such as DIALOG (Higham, 1980: 122; Harris, 1983: 58-59).

Stirling, however, concludes from his survey of academic libraries in Britain during the period of 1960-1980 that "library systems are becoming more and more dependent on external sources of data and technical expertise, and are therefore increasingly vulnerable to influences outside the librarian's control" (1980: 27). Yet at the end of the 1980s Morris sounds a strong warning that librarians are only marginally involved in the use of electronic information (1989: 58). The university library is being challenged by the full range of electronic telecommunication, such as electronic mail, teletex and telefacsimile, teleconferencing, and videotext which facilitates communication between the source and its user, to develop a more active role in meeting the information needs of its constituent users (Brunt, 1986). Morris maintains that "unless libraries increase their use of telecommunications technology and services, scholars will seek other agencies to meet their needs" (1989: 59). Elliott argues that the real challenge of information technology for university libraries is the ready availability of these commercially operated databases for the end-user (1987: 146-147).

A particular form of information technology which threatens to exclude university libraries from the scholarly communication process is the development of fulltext electronic journals. For instance, the European-based ADONIS biomedical journal project intends supplying electronic articles on demand to document delivery centres, while OCLC (the Ohio College Library Center bibliographic database)

foresees offering "the possibility of not only searching and locating data but also transmitting text to the user" by means of improved facsimile devices and telecommunication. OCLC already offers an electronic journal, Graph-Text, developed in cooperation with the American Chemical Society, that stores on CD-ROM (Compact Disk - Read Only Memory) the full text and graphics of articles and which allows for fulltext searching by the end-user (Morris, 1989: 59-60). The likelihood of the electronic journal replacing the paper-based journal before the twenty-first century is limited by economic, technical and marketing considerations. However, it is likely that the electronic journal will eventually capture a large proportion of the research market, and university libraries must be ready to face this formidable challenge (Dougherty, 1989: 61).

A further technological challenge to the traditional role of the university library has been brought about by the so-called "wired-up campus", which has been made possible by the development of interactive telecommunication exchange between personal computers (Brindley, 1989, 170). This development facilitates the scholar's access from his or her office desk "to local administrative data, to the library catalogue, to the computing power of various generalized and specialized installations, to the software packages mounted and maintained on them ... and to outside networks" (Naylor, 1989: 176-177). Traditionally, the university library has managed the paper-based communication media that carry the information messages, while the computer centre has provided an electronic form of communication medium which is utilized by the user to carry his or her message (Naylor, 1989: 177). However, since the trend is for the university library to be linked through its own computerized systems and services to the wired-up campus, and is seen to be only part of the ongoing process of assessment, transmission, and creation of information, its unique role of information provision may be seriously threatened (Naylor, 1989: 184-185). Already, the concept of convergence between the university library and

the computer centre has been put into practice at the University of Salford with the amalgamation of these two services into the Academic Information Service (Harris, 1989, 147).

Whether or not university libraries should charge for the new, electronic-based online services has caused considerable argument over the years. Some librarians argue that if these new information services are considered necessary for the research work of the university then the costs of the online searching service should be carried as part of the already expensive provision made for research, particularly in the fields of science, technology and medicine (Higham, 1980: 122-123; Walton, 1982: 185). Others argue that "if searching a computerized data base has to be paid for at least in part by the patron, the patron will be restrained from asking for extravagant searches and will tend to be more judicious in his requests" (Walton, 1982: 186). A survey of South African university libraries during the mid-1980s revealed that in many ways the practices of overseas academic libraries were followed, such as charging external users full costs; charging academic staff subsidised costs; and generally excluding undergraduate students from online services, or charging them direct costs. At the time of the survey, South African university libraries had hardly promoted their online services, although the situation has changed as can be deduced from a recent advertisement for such services.³ Ovens and Fokker concluded their survey with the following comment: "It seems a pity that overseas institutions ... have not been able to reach consensus on the vexed question of fee charging" (1986: 151-152). A survey of British university libraries undertaken by Mowat and Cannell during this same period, however, concluded "that libraries are seeking ways of reducing the burden of charging on the user", whilst most

3 The Graduate School of Business Administration, University of Witwatersrand advertised its online service in SAILIS Newsletter, April 1990.

"libraries providing a free service remain committed to the concept of a free service as part of the library service" (1986: 204).

2.6.5. Conclusion

It can therefore be seen that over the past two decades Anglo-American as well as South African university libraries have been confronted with a considerable number of environmental threats and challenges that have required, and continue to require, innovative responses from their management. According to Morris:

We are in a transition period, wavering between increased opportunities resulting from the information age and the threat of a more controlled society with less access to information and reduced freedoms. Libraries and their networks have a responsibility to ensure access to information (1989: 62).

Chapter 3

THE STRATEGIC MARKETING PLANNING PROCESS

Marketing management is defined by Kotler (1983: 14) as:

the analysis, planning, implementation, and control of programs designed to create, build, and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives.

This definition expresses the marketing concept (cf 1.4.2) from the point of view of the manager. According to the marketing concept, the primary purpose of the managerial functions of planning, organizing, directing and controlling is to create, build and maintain a value that will both satisfy the needs of the target market and achieve the organization's objectives. The aim of the manager is not to obtain good sales figures, or efficient production, but rather through the marketing process to ensure that the organization fulfills its objectives. Both Kotler (1983: 33) and Lucas (1983: 34-36) have named this the 'marketing management process', which consists of the following activities:

- * analyzing market opportunities;
- * selecting target markets;
- * developing the marketing mix; and
- * managing the marketing effort.

Schoell (1985: 77-81) prefers the term marketing planning which he defines as a process that requires the organization's marketing effort to be audited, or analyzed, in relation to the opportunities and threats of the marketing environment. The marketing objectives are then established, and a marketing strategy developed, which is defined as "a broad plan of action for selecting and analyzing a target market and developing and maintaining a marketing mix to satisfy the target" (1985: 79).

Stanton and Futrell (1987: 53), on the other hand, use the term strategic marketing planning, which they define as:

- * conducting a situation analysis;
- * determining the marketing objectives;
- * selecting the target market;
- * designing a strategic marketing mix; and
- * preparing an annual marketing plan

All four writers, however, are in agreement that managing the marketing planning process involves at least three essential activities, viz.:

- * the analysis of marketing opportunities;
- * the selection of target markets; and
- * the development of the marketing mix.

Stanton and Futrell, and Schoell also note the importance of setting marketing objectives, which are not emphasized by Kotler or Lucas. Both the latter writers, however, include the management of the marketing effort in their definition for the marketing management process. According to Kotler's definition quoted above the purpose of marketing management is to achieve organizational objectives. It can be argued that the setting of objectives is implicit in the activity of managing the marketing effort, and, therefore, that the definitions of all four writers are in agreement.

In the 1960s and 1970s, according to Webster, "Marketing planning and the broader area of long-range planning began to emerge and evolved into the broader concept of corporate strategic planning" (1988: 32). However, by the early 1980s it was realized that too much emphasis had been placed on corporate planning, "taking a significant portion of management time away from actually running the business" (1988: 36). A renewed emphasis on implementing the corporate plan throughout the organization led to a rediscovery of the marketing concept (1988: 36). It has since been realized that marketing is not something that can be delegated to a small group of top level managers while the rest of the organization goes about its business. Rather, it is the business

of the whole organization to work "toward the overriding objective of creating satisfied customers" (1988: 39). Porter concludes: "The questions that good planning seek to answer - the future direction of competition, the needs of the customer, the likely behaviour of competitors, how to gain a competitive advantage - will never lose their relevance" (1987: 22).

For the purpose of this study, therefore, strategic marketing planning is understood to consist of three main managerial activities:

1. The analysis of market opportunities.
2. The selection of target markets.
3. The development of the marketing mix.

3.1. ANALYZING MARKET OPPORTUNITIES

3.1.1. Opportunities and threats in the market environment

3.1.1.1. Marketing opportunities and threats

The marketing environment, according to Kotler, "is in continual flux, spinning off new opportunities and new threats" (1983: 84).

Lucas (1983: 60) defines a marketing opportunity as:

a favourable situation or trend in one or another level of the marketing environment which can be utilised to the advantage of the enterprise by a purposeful marketing effort.

According to Pride and Ferrell, a market opportunity can be seen as the enterprise's strategic window, offering for a limited time an "optimum fit between the key requirements of a market and the particular capabilities" of the organization (1985: 551-552).

Kotler (1983: 33) stresses the need for business enterprises to identify new market opportunities:

Companies may think that they have few opportunities, but this signifies a failure to think strategically what business they are in and what strength they have. Every company faces, in fact, an abundance of market opportunities.

All marketing opportunities need to be assessed in terms of their "potential attractiveness" for achieving the enterprise's objectives, as well as the "success probability" of the enterprise developing the opportunity (Kotler, 1982: 87). Therefore, the effective utilization of a marketing opportunity is subject to two prerequisites. Firstly, the enterprise should have the necessary internal resources, such as personnel, capital, knowledge and raw materials. Secondly, the marketing opportunity should provide the business enterprise with a distinct advantage over any of its competitors (Lucas, 1983: 61).

A marketing threat, on the other hand, is defined by Lucas (1983: 61) as:

an unfavourable situation or trend which arises in one or another level of the marketing environment and which, in the absence of any purposeful marketing effort, may lead to the downfall (extinction) of an enterprise, product or service.

A continuous threat analysis of the environment is necessary, consisting of identifying, appraising and reacting to threats. In the business world, threat analysis consists of identifying trends and changes in consumer behaviour, technological development, competition, and the condition of the economy. Usually such threats are countered by adopting a marketing strategy that will meet the changed environmental conditions. At the same time, a "threat can also be viewed as a disguised opportunity which can be utilized to the advantage of the enterprise by timely adjustments in the enterprise" (Lucas, 1983: 61).

3.1.1.2. Market opportunity and threat identification

Although many business organizations respond to opportunities by merely keeping alert to their environment,

a particularly useful method of market opportunity identification is the product/market expansion grid (of Figure 3.1), sometimes referred to as the 'Ansoff product-market matrix' (Kotler, 1983: 34; Schoell, 1985: 74). There are essentially

| | EXISTING PRODUCTS | NEW PRODUCTS |
|---------------------|--------------------------|---------------------------|
| EXISTING MARKETS | 1. MARKET PENETRATION | 3. PRODUCT DEVELOPMENT |
| NEW MARKETS | 2. MARKET DEVELOPMENT | 4. DIVERSIFICATION |

Figure 3.1: Product/market matrix (Kotler, 1983: 34)

four opportunity or growth strategies: market penetration and product development, which are strategies for the existing market; and market development and market diversification, which are strategies for new markets. A strategy of market penetration requires an increased marketing effort in the existing market, usually by means of increased advertising, personal selling, and new prices. A product development strategy involves marketing a new or modified product to the existing market. Marketing the present products to new markets is following a market development strategy. A diversification strategy involves developing new products for new markets, which may either be compatible with the organization's current resources, or, may represent a complete breakaway from the company's present competence and capabilities (Schoell, 1985: 74-75; Stanton and Futrell, 1987: 52-53).

3.1.2. Organizational resources analysis

The organization's 'strengths' (e.g. its competence and proficiency) and 'weaknesses' (e.g. its incompetence and deficiency) are required to be identified in such areas as production, finance, human resources, research and development, and marketing relative to its competition. The particular strength of a company may indicate a potential growth area in a new market, or, with a different product. The uncovering of a weakness may also necessitate a changed marketing strategy such as developing a product more suited to the company's strengths (Schoell, 1988: 71-72; Stanton and Futrell, 1987: 33).

The organization's internal environment consists of those non-marketing resources such as managerial ability, product expertise and production facilities, financial capabilities, suitable organizational location, research and development strengths, personnel commitment and organizational objectives. The marketing resources would include the ability of the marketing department to implement the marketing mix instruments of product, price, distribution and promotion by carrying out activities such as product development, price strategies, and channel distribution development (Stanton and Futrell, 1987: 33-34; Lucas, 1983: 57).

3.1.3. Portfolio analysis

As part of its strategic marketing planning approach, the organization should periodically examine critically the growth potential of its various products. As a result of this exercise, referred to as portfolio analysis, the organization's resources are allocated according to the potential success of a product or service, which are assessed in terms of the achievement of the organization's objectives (Kotler, 1983: 94). There are several portfolio analysis models available to undertake this strategic evaluation of the organization's products or services.

3.1.3.1. BCG Portfolio analysis

One of the earliest and most popular portfolio analysis methods was developed by the Boston Consulting Group (BCG). The BCG Portfolio analysis method is based on the assumption that a product's annual market growth rate and its relative market share of the organization's total product/service portfolio determine its marketing strategy (Pride and Ferrell, 1985: 562; Kotler, 1982: 94) (cf Figure 3.2)

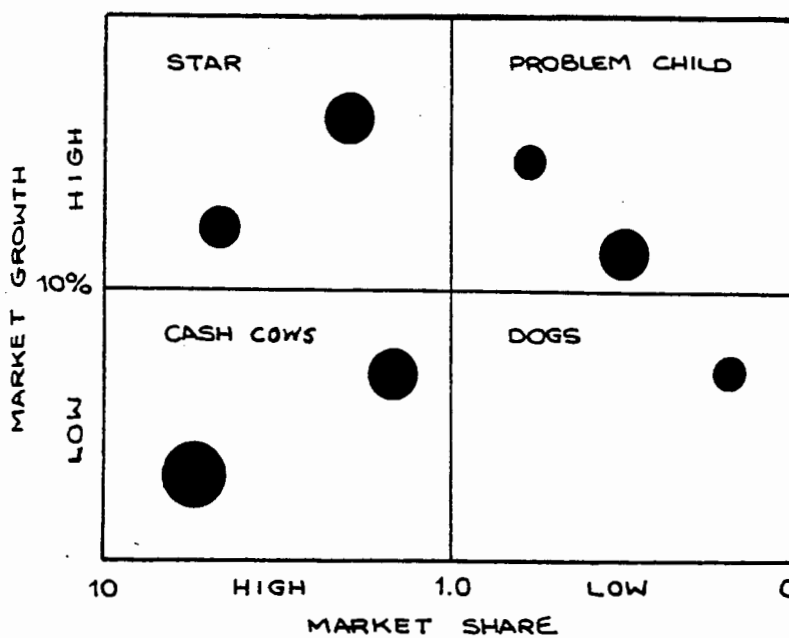


Figure 3.2: BCG Portfolio analysis
(Adapted from Pride & Ferrell, 1985:
562-563; Kotler, 1982: 95)

Accordingly, those products (depicted by circles in figure 3.2) that enjoy a substantial share of a fast growing market are described as 'stars', whereas 'cash cows' are products that retain a dominant market share, but have low prospects for growth. 'Problem children' are products that have only attained a small share of a growing market and require considerable additional organizational resources to achieve a larger market share, while 'dogs' are products that have a small market share, often in a declining market, and their prospects for growth are extremely low (Kotler, 1982: 95; Pride and Ferrell, 1985: 563).

Growth is however not the only acceptable criterion for measuring the performance of a product. It could be that a 'dog' product should be retained because it generates sufficient revenue to develop other products, or, it could prevent a competitor from entering the market. Similarly, market attractiveness in terms of the assumed increased profitability of a higher market share is not always applicable. Often other factors such as product quality, distribution, location, sales, and services are equally important for the fulfillment of the organization's objectives (Wood and Young, 1988: 162-163).

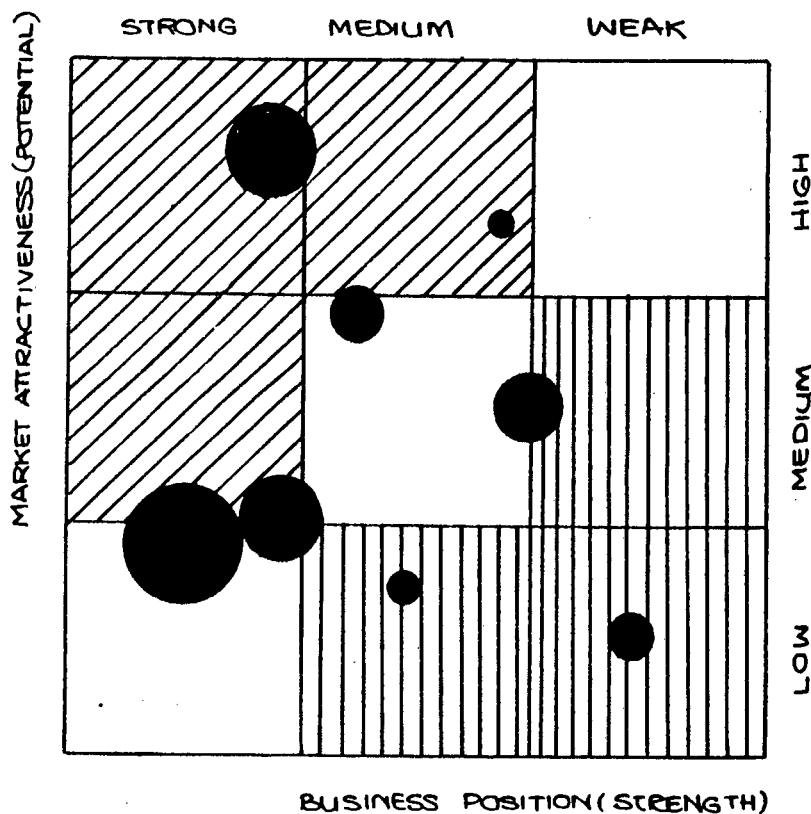


Figure 3.3: Market attractiveness/organizational position matrix (Adapted from Pride and Ferrell, 1985: 567; Kotler, 1982: 197)

3.1.3.2. The market attractiveness/organizational matrix

Originally based on the approach developed by General Electric, the market attractive/organizational matrix (cf 3.3) is a two-dimensional model that identifies those products

and services "for which the organization has high organizational strength" (Kotler, 1982: 96). 'Market attractiveness' (cf. 3.1.1.1) includes all those organizational resources that relate to the market: market size and growth rate, intensity of competition, profit margin, the seasons and cycles of markets, economies of scales (viz., lower unit costs as production volume increases), and overall cost and feasibility of market entry. 'Organizational strength' is indicated by such factors as product quality, market share, competitiveness and organizational efficiency, market knowledge (viz., customers' needs and wants), and marketing effectiveness (Kotler, 1982: 96; Pride and Ferrell, 1985: 566).

In Figure 3.3, the slant-shaded blocks, which represent those areas in which the organization is strongest and enjoys high to medium 'market attractiveness', contain products or services (depicted by circles) that are most likely to receive the full support of the organization. On the other hand, the vertical-shaded blocks, which represent those areas in which the organization is weakest and market attractiveness is at its lowest, contain products or services that are potential candidates for 'harvesting' (viz., scaling down in terms of resources investment), or, even 'divesting' (viz., termination of the product or service) (Kotler, 1982: 97; Pride and Ferrell, 1985: 566-567).

3.1.4. The marketing environment

The environment in which the marketing organization operates is complex, ever changing, and uncertain (Lucas, 1983: 53). Alvin Toffler describes in his Future Shock (1970) how post-World War II society has become overwhelmed by rapid technological, demographic, economic and cultural changes unforeseen by earlier generations (Kotler, 1983: 84). These societal forces can be described as:

the uncontrollable variables in the market environment that potentially influence the marketing of the enterprise's product or service (Lucas, 1983: 59).

Management must assess the favourable trends offered by the external environment, as well as determine which environmental trends will adversely threaten the attainment of the organization's objectives (cf 3.1.1.1).

3.1.4.1. Politico-legal environment

A country's politico-legal environment both facilitates and limits the marketing environment through governmental fiscal policies and subsidies, as well as by legislative restrictions on business practices (Kotler, 1983: 107; Schoell, 1985: 52-53; Pride and Ferrell, 1985: 22; Lipson and Darling, 1974: 158-159, 162).

3.1.4.2. Economic environment

The economic environment, as it goes through the business cycle of prosperity, recession, depression and recovery, is subjected to considerable fluctuation in the overall supply and demand of goods and services, and the general level of income, prices, inflation, savings, credit and employment, which all help to create new marketing threats and opportunities for the business enterprise (Schoell, 1985: 32; Kotler, 1983: 99; Stanton and Futrell, 1987: 23; Pride and Ferrell, 1985: 23).

3.1.4.3. Socio-cultural environment

The present-day socio-cultural trends which include feminism and the changed role of women in the workplace, together with the higher divorce rate and single parenthood, increased tendency towards marriage later in life, postponed, or, even rejected parenthood, bring about new lifestyles, social values and expectations that have changed the market environment significantly in First World societies such as the United States and Europe (Schoell, 1985: 45; Stanton and Futrell, 1987: 26-27; Lucas, 1983: 73).

3.1.4.4. Demographic environment

The most significant demographic changes during the past few decades have, on the one hand, been the zero-population growth of First World societies, and on the other hand, the rapid urbanization of Third World countries in Africa, Asia and, Central and South America, with the accompanying rise in urban squalor and totally inadequate civic infrastructures (Kotler, 1983: 93; Stanton and Futrell, 1987: 23; Mears, 1988: 48; Spies, 1985: 42). These demographic changes do not only offer marketing threats, but also new opportunities. For instance, it has been suggested that the squalor of South African urban squatter settlements (a marketing threat as seen from the point of view of civic authorities) can to some extent be eliminated by offering free land near work areas, and, by making the necessary building materials easily and cheaply available (Godsell, 1985: 12). Civic authorities adopting Godsell's proposal would be seeking to fulfill the need for physical security of urban, lower-income blacks, and at the same time achieve their organizational objective of improved housing condition for the newly-arrived urban dwellers.

3.1.4.5. Technological environment

The technological environment affects lifestyle, work and leisure activities as well as the health and welfare of most people today, posing both opportunities and threats for organizations offering products and services. For example, of all medicines sold today worldwide, 80 percent originated only during the past two decades. Technological innovations such as the motor car, the telephone, the computer, the television, air travel, and so on have radically altered the lifestyle of modern urban society from that of any previous age (Lucas, 1983: 64,68; Kotler, 1983: 105).

3.1.4.6. Natural environment

The endangerment of the natural environment through unbridled economic development and technological advances (Time, 1989: 5,12-49)¹, has awakened an ecological awareness amongst consumers that offers new marketing threats and opportunities for business organizations during the late 20th century (Lucas, 1983: 75; Kotler, 1983: 104).

3.1.5. Consumer markets analysis

The consumer market is made up of individuals, varying in age, income, education, and lifestyle, who buy or acquire goods and services for their personal consumption. Successful marketing requires the understanding of the psychological and social factors of consumer behaviour, as well as membership of social class, and, cultural and reference groups (Kotler, 1983: 119-120).

3.1.5.1. Psychological factors

3.1.5.1.1. Need

The inner needs of people motivate them to seek certain goals that provide them with satisfaction. Motivation is the driving force within a person which causes or impels him or her to take action to satisfy a particular goal (Lucas, 1983: 119; Schoell, 1985: 138). There are several psychological theories of human motivation. For example, the psychologist Sigmund Freud shows that unconscious forces shape motivational behaviour, and various projective

1 Based on an environmental conference held in November 1988 by 26 Time journalists and 33 environmental experts from all over the world (including a team from the USSR), the first Time issue for 1989 devoted 33 pages to the "endangered earth", analyzing "the looming ecological crisis" of "overpopulation, pollution, waste of resources and wanton destruction of natural habitats" (p.5).

techniques - such as word association, sentence completion, picture interpretation and role play - are still used today in in-depth interviews to reveal unconscious motives (Kotler, 1983: 135-136). Another example is Abraham Maslow's hierarchy of needs which he developed to explain why people are driven by particular needs (cf figure 3.4). This hierarchy places biogenic needs at the two lower levels which must first be satisfied before the three higher psychogenic needs become influential in an individual's behaviour (Kotler, 1983: 136-137; Lucas, 1983: 119-120).

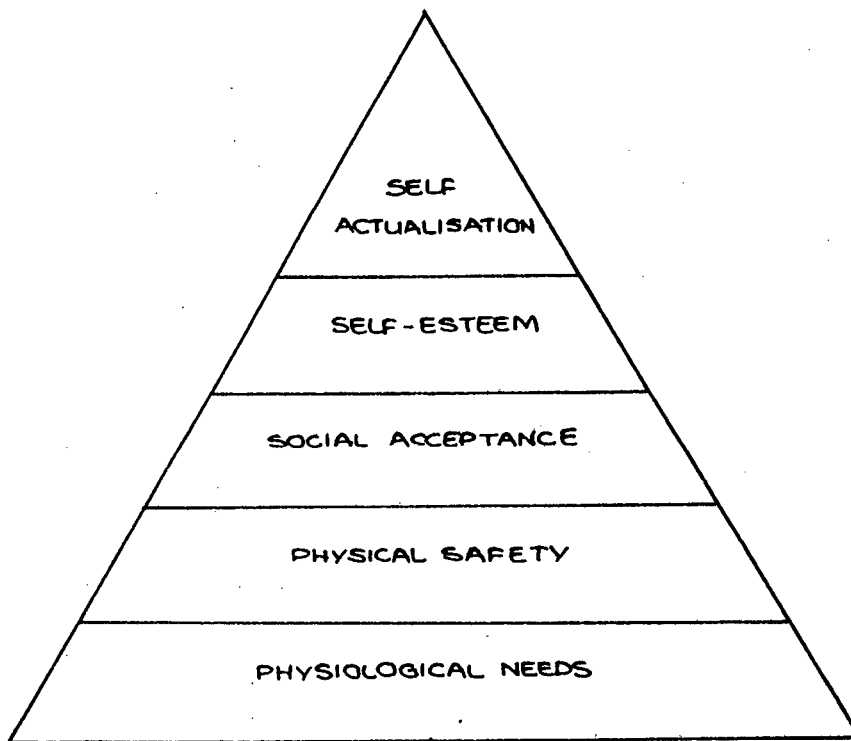


Figure 3.4: Maslow's hierarchy of needs
(Adapted from Kotler, 1982: 238)

3.1.5.1.2. Perception

Although two persons are subject to similar motivational forces, they will respond differently because their perception of a situation will be different. Perception is the process by which an individual selects, organizes and gives coherent meaning to stimuli (information) received from the environment. This perception is largely shaped by individual

motivation, attitudes and belief, and, personal meaning (Kotler, 1983: 137-138; Schoell, 1985: 142-145; Lucas, 1983: 123-124).

3.1.5.1.3. Learning

Behavioural change in an individual may also be brought about ('learned' in the psychological sense) through his or her experience of the environment. It is therefore possible to manipulate consumer behaviour using the learning principles of reward and punishment, repetition and easy recognition. For instance, a product may be more easily remembered by the consumer if that product has been repeatedly shown, or, if the message about it is kept simple (Kotler, 1983: 139; Schoell, 1985: 148-149; Lucas, 1983: 125).

3.1.5.1.4. Attitudes

The attitudes that people hold reflect their abiding feelings and values and provide a stable frame of reference against which all incoming environmental information is evaluated (Kotler, 1983: 123; Lucas, 1983: 130). There are several methods that endeavour to measure the attitudes of consumers. The simplest method is to question people directly, asking them, for example, what they think about a particular product. Sometimes attitude scales are used in motivational studies. The latter method lists a series of adjectives, phrases and sentences and the intensity of people's feelings towards them is measured (Pride and Ferrell, 1985: 82).

3.1.5.2. Social factors

Our perceptions and attitudes are determined to a significant extent by the various groups to which we belong and with which we interrelate (Stanton and Futrell, 1987: 115). As very few products and services are without any social meaning, it is necessary for the marketing enterprise to

take cognizance of the influence of the cultural group to which the consumer belongs, social class, the family, and reference groups on consumer behaviour (Lucas, 1983: 130-131).

3.1.5.2.1. Culture

The human environment of tangible artifacts, such as tools, housing, products, art objects, or, intangible symbols such as language, attitudes, norms and values, which have been handed down from one generation to the next, is referred to as our culture. A considerable number of marketing threats and opportunities are offered by our culture (Stanton and Futrell, 1987: 115-116). For instance, in recent times there has been a major cultural shift in Western societies away from the Protestant work ethic towards a greater emphasis on leisure, which offers new marketing opportunities in sport, vacations, tourism, and camping, and, household labour-saving devices (Kotler, 1983: 123; Schoell, 1985: 173; Stanton and Futrell, 1987: 116). In South Africa, marketing organizations have to be careful not to give offense to the black community when using Western cultural symbols (Lucas, 1983: 132).

3.1.5.2.2. Social class

Within the same cultural group there are nevertheless quite distinctive social classes. Although in South Africa there has been little research into social class structures, the United States six-class model, based on the criteria of occupation, education, and neighbourhood of residence, is considered directly applicable to the South African situation (Lucas, 1983: 133; Stanton and Futrell, 1987: 118). The preferences of upper-class, wealthy, well-established families differs quite distinctly from middle-class professional and business people, or lower-class white-collar and blue-collar workers. Understanding these social class difference helps marketing organizations to market their products more affectively (Kotler, 1983: 125).

3.1.5.2.3. Reference groups and the family

An individual's attitudes, values and behaviour are invariably influenced positively or negatively by his or her reference group (Schoell, 1985: 165; Stanton and Futrell, 1987: 120). Reference groups sanction acceptable behaviour, enforce group norms, influence life styles and induce conformity. It is therefore important to find out whether a product or service has any social value, and also the strength of the influence of the dominant reference group (Schoell, 1985: 167-168; Kotler, 1983: 127; Pride and Ferrell, 1985: 86-87).

The most influential, primary reference group is the family which is the source of the individual's religious, socio-political, educational, and, personal views and values. The traditional family reference group changed significantly over the past generation as the housewife moved into the workplace. The traditional male-dominated household has given way to shared decision-making concerning vacations, homes and education, together with a significant blurring of traditional housekeeping roles (Kotler, 1983: 129-130; Schoell, 1985: 163-164). Secondary reference groups, such as religious organizations, professional associations and trade unions lack the intimacy of the family group, and, they also tend to be more formally structured (Stanton and Futrell, 1987: 121).

3.1.6. The buyer decision process

Routine response consumer decisions are made quickly, require little mental effort or additional information, and include low cost, frequently purchased household items. There are however other far more complex purchasing decisions involving significant economic or social risks, such as buying a new home, or becoming a member of a social club (Schoell, 1985: 134,136; Pride and Ferrell, 1985: 72-73). The more complex buying decisions go through various stages

of problem-solving before the consumer commits himself or herself to a purchase.

3.1.6.1. Problem recognition

At first the consumer recognizes that there is a problem. There is an awareness of a disparity between what is desired and the actual condition of the consumer (Pride and Ferrell, 1985: 73). In understanding problem recognition, marketing organizations must establish how and when a need is recognized, or felt, and what led to the purchase of a particular product (Kotler, 1983: 148).

3.1.6.2. Information search

Usually the information search for the product or service follows the recognition of the problem (Lucas, 1983: 142). Often the search for information is no more than a heightened awareness of the product. Information sources include product demonstrations, and, personal sources such as family, friends, colleagues, as well as advertising, sales staff, the packaging, displays and the media (Kotler, 1983: 149; Pride and Ferrell, 1985: 74-75).

3.1.6.3. Evaluation

To evaluate the product or service effectively, the consumer appraises or evaluates the attributes and benefits of the various alternative brands facing him or her, a process which determines the actual purchase decision (Lucas, 1983: 142; Kotler, 1983: 150-153; Pride and Ferrell, 1985: 75).

3.1.6.4. The purchase decision

The final decision to purchase could still be altered by the unfavourable attitude of other consumers, such as the family and friends, as well as unforeseen situational factors, e.g. altered financial situation. The consumer may perceive a

risk in purchasing the product and either postpone or avoid the purchase decision. The purchase decision can also be affected by product availability, sale terms and delivery conditions (Kotler, 1983: 154-55; Pride and Ferrell, 1985: 75).

3.1.6.5. The postpurchase experience

Future purchase behaviour towards a particular product is influenced by the postpurchase experience. If the product fails to live up to expectations - perceived performance - the consumer may feel inclined to return the product, or, may feel disinclined to purchase it again in the future. Obviously, only if the consumer is satisfied can future positive postpurchase action be expected (Kotler, 1983: 148-149, 154-156; Pride and Ferrell, 1985: 73-76; Lucas, 1983: 142-144).

3.1.7. Kotler's eight consumer demand states

Kotler (1982: 10-11) defines eight states of demand that require different marketing strategies:

3.1.7.1. Negative demand

Negative demand occurs when the market dislikes the product or services and avoids using it. The marketing strategy adopted attempts to change the attitude towards, belief and perception of consumers about the product.

3.1.7.2. No demand

A product or service can experience no demand when the consumers do not show an interest in the product. The marketing strategy must therefore try to connect the product's benefits with the consumers' needs.

3.1.7.3. Latent demand

A latent demand could exist in a market where there is no product or service to satisfy a particular need. The marketing task is to identify this latent demand, and then, to develop a suitable product or service that will satisfy this demand.

3.1.7.4. Fall in demand

When there is a fall in demand a market analysis is required to identify the appropriate marketing strategy. For instance, to focus on a new target market; to change the product features; or, to develop improved promotional communication.

3.1.7.5. Irregular demand

Irregular demand could have an adverse effect on the organization's resources such as staffing and facilities, and, therefore, necessitate one of several marketing strategies to regulate the demand. For instance, changes to the product or service, a more flexible pricing strategy, or, improved promotion to encourage the consumers to regulate their demand more evenly.

3.1.7.6 Full demand

Full demand is reached when the marketing effort endeavours to sustain the level of demand.

3.1.7.7. Overfull demand

However, overfull demand may require 'demarketing', which involves finding suitable ways to reduce demand.

3.1.7.8. Unwholesome demand

Certain social behaviour such as alcoholism, drug addition could be considered unwholesome demand, and, consequently, would necessitate a marketing strategy that discourages demand.

3.2. SELECTING TARGET MARKETS

Target marketing involves, in the first place, the segmentation of the market into distinct groups of consumers requiring separate products and marketing mixes; secondly, the selection and evaluation of one or more market segments as the target market; thirdly, formulation of the product's competitive position in the target market.

3.2.1. Market segmentation

Market segmentation, in keeping with the customer-orientated philosophy of marketing, facilitates the satisfaction of individual consumers needs by segmenting the heterogeneous market into geographic, demographic, psychological and behavioural variables (Lucas, 1983: 164; Stanton and Futrell, 1987: 158-159; Kotler, 1983: 215). However, if market research reveals that consumers needs are homogeneous no segmentation is then necessary (Kotler, 1983: 228).

3.2.1.1. Geographic segmentation

The consumer market can be segmented into geographic areas, whether by national regions or neighbourhoods, by climate and terrain, or by population density. For a business firm, market density, and the number of potential customers in a geographic area are more important than the actual population size (Schoell, 1985: 196-198; Pride and Ferrell, 1985: 48).

3.2.1.2. Demographic segmentation

The market is frequently segmented demographically because these "variables are easy to measure through observation and surveys" (Schoell, 1985: 199), and at the same time, the wants, preferences and usage rates of consumers are strongly associated with demographic differences (Kotler, 1983: 215,218).

3.2.1.3. Age and family

Age segmentation, in South Africa, with 41 percent of its black population under the age of fifteen as compared with 21 percent of the white population (Lucas, 1983: 153), is a significant demographic variable that offers marketing threats and opportunities (Schoell, 1985: 199-220). In First World economies, the traditional family is no longer the dominant demographic variable, and the increased number of childless couples, and single-parent families represents new needs and wants (cf 3.1.4.3 and 3.1.5.2.3) (Schoell, 1985: 204-205).

3.2.1.4. Sex

In the past, traditional gender roles were a useful variable for segmenting the market (Stanton and Futrell, 1987: 164). However, the changing sex roles which are a characteristic of Western society has created new marketing opportunities as seen, for example, in the growth of the unisex market (Schoell, 1985: 202).

3.2.1.5. Income

Income segmentation of the market is not necessarily a useful variable to measure consumer preferences. For example, a professional (e.g. a doctor) and a successful artisan (e.g. a plumber) may earn the same income but enjoy different leisure activities in accordance with their social status (Schoell, 1985: 203).

3.2.1.6. Education

The type and level of education is a more reliable demographic variable for segmenting the consumer market. A higher education level assumes a more cultivated consumer who demands quality products and sophisticated advertising (Schoell, 1985: 203).

3.2.1.7. Ethnicity

In South Africa the general level of education is rising, notably among the black population where the number of children attending secondary school increased from 47 598 in 1960 to 555 138 in 1980. This changing demographic variable offers many new marketing threats and opportunities for the South African business community (Lucas, 1983: 153-154). In the United States ethnicity has been used to segment the market for goods such as food, music, clothing, and, services such as banking and insurances (Pride and Ferrell, 1985: 47). The large black market in South Africa (17 million in 1980, and, expected to reach 30 million by the year 2000) is receiving increased marketing attention (Lucas, 1983: 154; Spies, 1985: 42).

3.2.1.8. Psychographic segmentation

Within a given demographic or geographic segmentation, considerable psychographic differences exist among consumers. In this form of segmentation, markets are distinguished by a combination of social class, life-style and personality (Schoell, 1985: 206; Kotler, 1983: 220).

3.2.1.8.1. Social class

It has already been noted how social class influences a person's needs and demands (cf 3.1.5.2.2). Social class segmentation entails marketing products and services according to the specific values, beliefs and behaviour patterns of

the market (Stanton and Futrell, 1987: 164; Kotler, 1983: 220; Schoell, 1985: 206).

3.2.1.8.2. Life-style

Life-style segmentation refers to consumers' activities, interests, and opinions which influences their choice in various goods (Schoell, 1985: 207; Pride and Ferrell, 1985: 51; Stanton and Futrell, 1987: 165). In the United States, for example, different male life-style groups have been identified as representing the so-called 'active achiever', the 'business leader', the 'blue-collar outdoorsman', or, the 'traditional homebody'. Each of these groups would require differently designed goods, outlets, prices, advertising, etc. (Kotler, 1983: 221). Life-style segmentation, however, is often difficult to quantify, and research can also be too costly (Stanton and Futrell, 1987: 166).

3.2.1.8.3. Personality

Personality characteristics, such as compulsiveness, competitiveness, extroversion and introversion, ambitiousness and aggressiveness, may influence a product preference. However, research has shown it is difficult to measure personality characteristics accurately (Schoell, 1985: 206; Pride and Ferrell, 1985: 49-50; Stanton and Futrell, 1987: 164).

3.2.1.9. Behaviouristic segmentation

The consumer's behavioural relationship with the product forms the basis for dividing the market into behaviouristic segments (Schoell, 1985: 209-210; Kotler, 1983: 223).

3.2.1.9.1. Occasion

Consumer behaviour may sometimes be determined by the occasion. For example, in the United States orange juice is most commonly consumed at breakfast (Kotler, 1983: 223).

3.2.1.9.2. Benefit

The consumer, however, is looking for some essential benefit in a product or service. Benefit segmentation therefore attempts to determine which product benefits will appeal to particular groups of consumers, and, which product brands provide these benefits most satisfactorily (Kotler, 1983: 223; Pride and Ferrell, 1985: 53; Schoell, 1985: 212; Stanton and Futrell, 1987: 166-167).

3.2.1.9.3. User status

Often markets can be segmented by user status whereby consumers are identified as first-time users, regular users or potential users. User status segmentation has been utilized in the United States in drug rehabilitation programmes where the focus is on reaching the regular drug user with the help of rehabilitated drug addicts (Kotler, 1983: 224).

3.2.1.9.4. Volume of usage

The amount of usage that a product or service enjoys is known as volume segmentation, which divides the market quantitatively, for example, into heavy users, moderate users, and light users. This is seen as an accurate method for predicting future buying behaviour because usage patterns tend to remain fairly constant over time (Kotler, 1983: 224; Schoell, 1985: 210; Stanton and Futrell, 1987: 167-168).

3.2.1.9.5. Manner of usage

How a product is used by the consumer may also be a basis for market segmentation. For example, some consumers would use a household detergent for a single purpose such as cleaning only tiled floors, whereas other consumers would use the same product to also clean windows, woodwork and motor cars, etc. This differentiation by usage requires that a multi-purpose product brand be targeted to one group of

consumers and a single-purpose brand to another consumer group (Schoell, 1985: 210; Pride and Ferrell, 1985: 53).

3.2.1.9.6. Loyalty status

Loyalty status segmentation identifies the brand loyalty of consumers, which can vary from hard core support to total indifference. Generally, the loyalty pattern relates to the geographic, demographic and psychographic characteristics of the market. For instance, a study in the United States revealed that hardcore brand loyalty for Colgate toothpaste tended to come from middle-class, large-sized, health-conscious families (Kotler, 1983: 225-226; Schoell, 1985: 212).

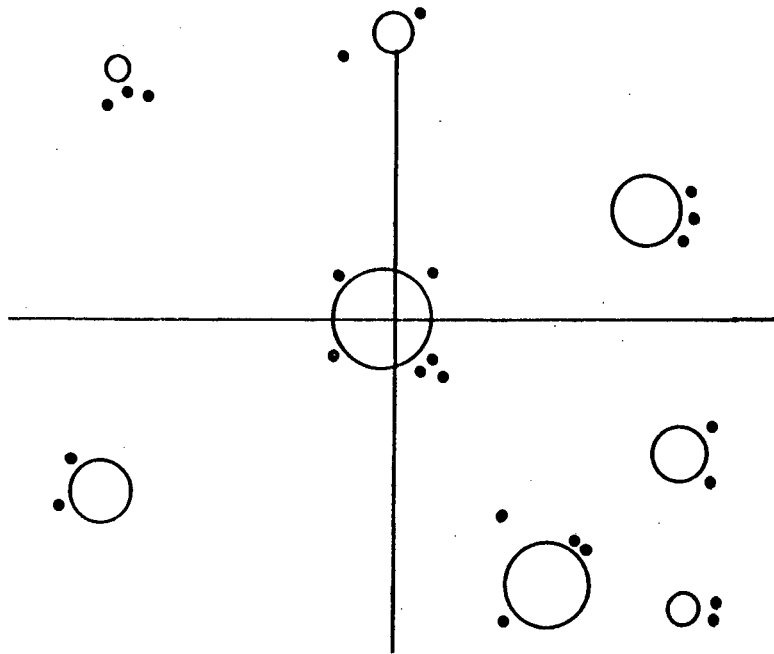


Figure 3.5: Product position map
(Adapted from Schoell, 1985: 224)

3.2.2. Product or market positioning

In addition to market segmentation, it is essential to establish a market position for the product. Market segmentation enables the company to direct a particular brand to a specific segment of the market. Product positioning helps to

create "a concept of the product's characteristics in the minds of customers in the market segment" (Pride and Ferrell, 1985: 194). A product's position is therefore a projected image of certain brand attributes, relative to competitive products in the particular market segment (Stanton and Futrell, 1987: 217-218).

The product position map reflects the position of competitive brands in relation to those attributes desired by the market. Usually this is done by surveying a sample of consumers within a market segment, rating their preferences for the various product brands already available in the market (Schoell, 1985: 224). In Figure 3.5 the circles represent the positions of the ideal brand attributes, while the black dots reflect the position of actual brands as perceived by the survey respondents. Schoell warns against possible consumer perceptual bias when interpreting the product position map (1985: 225).

It is possible to adopt different positioning strategies. If the attributes of the new brand are similar to the competitive brands a, preferably superior, head-to-head positioning may be adopted. Pepsi adopted this strategy in the United States against its major competitor, Coca-Cola during the early 1980s. If the competitor is in a strong, established market position, it is usually best to avoid direct competition. This was how Avis successfully positioned itself as 'No 2' in the market, and used the slogan 'trying harder' to promote itself (Pride and Ferrell, 1985: 194; Stanton and Futrell, 1985: 218). Often, when market demand has declined (cf 3.1.7.4), positioning in relation to another target market becomes necessary. In the face of a decline in demand for its baby shampoos (i.e. because of falling birthrate), Johnson and Johnson repositioned its product as suitable for the rest of the family (Stanton and Futrell, 1986: 219). In a market where there are already several brands of the same product, a brand position is adopted that dissociates itself from all the other brands. An excellent case in point is

that of the soft drink, 7UP in the United States which positioned itself in the health-conscious market by promoting the fact that it was free from caffeine, and, artificial colouring and flavouring (Pride and Ferrell, 1985: 194; Stanton and Futrell, 1985: 219). Alternatively, a market position for a product can be found that is not at present occupied by its competitors. The market positioning of a product is to a large extent determined by its technical and economic feasibility and whether there is a large enough market for it (Kotler, 1983: 233-234).

3.2.3. Market targeting

Market segmentation reveals what opportunities are available to the marketing organization in the various market segments. The organization decides how many segments it should cover and which segments it can serve best (Kotler, 1983: 228). Usually an organization's resources are insufficient to serve the entire cross-section of the market; hence it becomes essential to focus on a target market. Schoell (1985: 79) defines a target market as:

a set of present and potential customers for whom an organization strives to create a satisfying market offering.

One of three market coverage strategies can be chosen, depending on which strategy satisfies the organization's particular objectives the best. The three strategies are known as mass marketing, multi-segment marketing and single segment marketing.

3.2.3.1. Mass (undifferentiated) marketing

Mass marketing focuses on those consumer characteristics that are common (homogeneous) rather than those which are different (heterogeneous) (Kotler, 1983: 229; Lucas, 1983: 174). The assumption in mass marketing is that the needs and characteristics of consumers in a target market are very similar and therefore a single marketing mix strategy will

satisfy them all (Pride and Ferrell, 1985: 38; Schoell, 1985: 188). In mass marketing a strategy of product differentiation is usually followed. Essentially, the marketing effort of the organization is directed towards convincing the consumer that its particular brand is superior to all other competing brands. This strategy works as long as enough consumers in the market are satisfied by the product offering, and their demands fulfill the profit expectations of the organization (Stanton and Futrell, 1987: 170; Pride and Ferrell, 1985: 38-39). For example, marketing the same toothpaste brand to all consumers, irrespective of age difference, can only be successful as long as the consumers do not start differentiating in their demand for the toothpaste.

3.2.3.2. Multi-segmented (differentiated) marketing

In a market where the characteristics and wants of the consumers are different (heterogeneous), a multi-segmented marketing approach is usually adopted. This involves operating in several segments of the market, each with its own marketing strategy tailor-made to the characteristics and wants of the consumers in those segments that are selected and identified as target markets (Schoell, 1985: 189). For instance, it is possible to identify three separate market segments for personal computers, viz.: university students, small businesses and home owners. The goal of differentiated marketing is to penetrate deeper into a market segment through product differentiation, or separate marketing programmes that are tailored for each given market segment. The wants and characteristics of students and small businesses in the above-mentioned example differ considerably and, therefore, should be marketed accordingly. (Stanton and Futrell, 1987: 171; Kotler, 1983: 230).

The major advantage of multi-segmented marketing lies in the greater number of potential customers that can be served. This is particularly attractive for those organizations with

spare capacity, or seasonal demand for their products (Schoell, 1985: 191-192; Stanton and Futrell, 1987: 172). Differentiated marketing, however, increases the costs of production, management and promotion. Furthermore, the marketing organization may be spreading its resources rather thinly (Kotler, 1983: 230-231; Stanton and Futrell, 1987: 172; Schoell, 1985: 192).

3.2.3.3. Single segment (concentrated) marketing

For the organization with limited resources, single segment marketing concentrates all of the organizational effort into capturing a large share of a single, smaller market, rather than in attaining a small share of a large market. The marketing strategy enables the organization to achieve a strong market position in the segment it serves, often earning excellent returns on investment. At the same time, concentrated marketing does not allow for the spreading of marketing risks. For instance, if there is a sudden change in the demand of the single market segment, or a larger competitor decides to enter the market, the marketing organization will not have additional market segments to carry it through (Kotler, 1983: 231; Stanton and Futrell, 1987: 171; Schoell, 1983: 190-191; Pride and Ferrell, 1985: 40).

3.2.4. Forecasting market demand

The final step in the selection of target markets involves forecasting the market demand for the organization's product offering. This necessitates estimating the total market potential for the product, as well as the sales potential for the organization (Stanton and Futrell, 1987: 172).

3.2.4.1. Total market demand

The total market demand for a product is the aggregate marketing level that is represented by the amount purchased by a defined consumer group within a particular sector of

the consumer economy during a specified period. The market demand has an upper limit, the market potential, beyond which no amount of marketing effort by all the participating enterprises will stimulate further demand. Within the total market demand the individual organization hopes to achieve a latent share of the market, referred to as its sales potential, or, market share (Kotler, 1983: 200; Pride and Ferrell, 1985: 58; Stanton and Futrell, 1987: 172; Schoell, 1985: 229).

3.2.4.2. Sales potential

To estimate the sales potential the individual firm's sales potential could be based on a breakdown of the country's general economic and business forecast. Alternatively, the sales potential could be determined by measuring the consumption by a typical consumer in a specified area of a particular product during a given time period and then multiplying this quantity by the number of potential consumers within the target market (Pride and Ferrell, 1985: 58; Schoell, 1985: 230; Kotler, 1983: 202-205; Stanton and Futrell, 1987:174).

3.2.4.3. Sales forecasting

In contrast to the sales potential, sales forecasting focuses on the actual sales that can be expected at a certain level of marketing effort. The forecast is bound to a specific time: short-term, one year or less; medium-term, one to five years; and long-term, more than five years. There are a number of forecasting methods, some less scientific than others. The method chosen would be determined by cost, time, purpose of the forecast, reliability of the historical sales data, and the experience of the forecasters (Pride and Ferrell, 1985: 59). Forecasting by surveying buyers intentions concerning a product is not always reliable because the opinions expressed do not always truly reflect their buying behaviour. Furthermore, such surveys

tend to be time-consuming and expensive (Stanton and Futrell, 1987: 175-176; Schoell, 1985: 234; Pride and Ferrell, 1985: 60).

3.2.4.4. Sales force surveys

Sales force surveys yield valuable sales knowledge about the market, although sales staff tend to remain biased, often influenced by their most recent sales setbacks or successes (Schoell, 1985: 233; Kotler, 1983: 207-208; Stanton and Futrell, 1987: 177), therefore distorting the validity of the sales forecast.

3.2.4.5. Expert opinion

The expert opinion of distributors, suppliers, marketing consultants (Kotler, 1983: 208), as well as the firm's executives should be based on knowledge and experience. It is risky, however, to forecast only by opinion as it may sometimes be based mainly on intuition or guesswork (Schoell, 1985: 232; Stanton and Futrell, 1987: 177; Pride and Ferrell, 1985: 61).

3.2.4.6. Market testing

A particularly useful method to measure the market response to a new product where there is no historical sales data available, is to market test the product within a defined market segment. Market testing is however an expensive and time-consuming method of forecasting and there is no certainty that the market test represents the total market demand (Schoell, 1985: 235; Stanton and Futrell, 1987: 176; Pride and Ferrell, 1985: 62-63).

3.2.4.7. Time series analysis

Time series analysis utilizes historical sales data to discover through statistical analysis a pattern in the volume

of sales over a period of time, which enables future sales to be predicted. Time series analysis is a useful forecasting method for products that have a stable demand pattern, but it is not particularly useful for products that are erratic in demand (Pride and Ferrell, 1985: 61-62; Kotler, 1983: 208-209).

3.3. DEVELOPING THE MARKETING MIX

The satisfaction of the target market's needs, and by extension, the fulfillment of organizational objectives, is achieved through the tools of the marketing mix (Stanton and Futrell, 1987: 54). Kotler (1983: 44) defines the marketing mix as:

the set of controllable marketing variables that the firm blends to produce the response it wants in the target market.

These marketing variables are frequently referred to in the literature as the 'four Ps', i.e., product, price, place and promotion.

3.3.1. Product

3.3.1.1. Product concept

The product is best understood in terms of the product concept which operates on three levels. At the first level, the 'core product' is that essential service or benefit sought by the consumer. At the second level, the core product is developed into a 'tangible product' with such attributes as quality, styling, a brand name and packaging. Lucas refers to this aspect of the product concept as the 'formal product'. At the third level can be found the 'augmented product', viz., additional services that go with the tangible product, such as a warranty, installation and maintenance services, and free deliveries (Lucas, 1983: 222; Kotler, 1983: 247-248).

From a marketing point of view the concept of the product is defined by Lucas (1983: 222):

as a collection of need-satisfying tangible and intangible benefits which the enterprise offers to consumers so that they can become aware of them, purchase them and consume them.

It is no longer good enough to build a better mousetrap and hope it will sell. The appeal of the product must be unique if the product is to succeed in the marketplace. It must "satisfy a need, solve a problem, or enhance the buyer's self-image" (Manning, 1989: 17).

3.3.1.2. The product brand

The same product is often offered by competing organizations. To distinguish these separate offerings, the product is branded. The enterprise uses the brand name to attach a particular image to the product. In marketing the product, branding helps to create a particular image in the mind of the consumer, reflecting as it does certain qualities, attributes and benefits associated with the organization's version of the product offering. Branding further facilitates market segmentation since the same product can be marketed to different groups of consumers or target markets under different brand names. The branding of products enables consumers to evaluate products in terms of the qualities, benefits and uses associated with the particular brand name (Stanton and Futrell, 1987: 232-233; Kotler, 1983: 252-255, 260; Lucas, 1983: 234; Pride and Ferrell, 1985: 157).

Brand acceptance often starts after the initial trial purchase when consumer recognition of the brand takes place. Gradually the consumer develops a preference for the brand, although, if the brand is not available, a competitive brand may still be used. The ideal brand acceptance situation is reached when the consumer insists on using only that particular brand. Sometimes the brand has become so completely ac-

cepted that it is substituted for the generic name of the product (Lucas, 1983: 235; Lipson and Darling, 1974: 373-374.0).²

3.3.1.3. Product packaging

The packaging concept implies that packaging goes beyond providing only a protective, convenient container. Packaging is part of the marketing mix, promoting certain desirable qualities about the product, such as its features, uses and benefits (Pride and Ferrell, 1985: 164-165; Kotler, 1983: 264).³

3.3.1.4. Product label

As a highly visible aspect of the package, the label, in association with the brand name and the package design, helps to promote the product image and, therefore, is a vital element in the marketing mix (Lucas, 1983: 242-243; Kotler, 1983: 266; Pride and Ferrell, 1985: 168).

3.3.1.5. Customer services and service products

The value of products is often enhanced for consumers by the offer of additional services such as maintenance and instruction. At the same time, products may be primarily services, such as health care, where production and consumption occur together. Although services tend to be intangible, some include tangible goods that are part of the service.

2 For instance, in the experience of the researcher, many older generation librarians still refer to photocopying as 'Xeroxing'.

3 Bruce Rice, a South African marketer, interviewed by Nigel Murphy on the programme Radio Today, 18th May 1989, reported the view that had emerged from the 1989 International Conference on Marketing, Sicily: viz., consumers are more easily influenced by the package than by the intrinsic quality of the product.

For example, although passenger airlines are offering an intangible transportation service they often include tangible goods such as food and gifts to enhance their service image (Kotler, 1983: 267; Schoell, 1984: 255). The product as an intangible service is discussed further in Chapter 4, notably paragraphs 4.3.1 and 4.3.2.1.

3.3.1.6. Product line and product mix

A group of products that is intended for a similar use, or possesses similar physical characteristics, or is sold to the same aggregate of customers, constitutes a product line. The product mix is the complete set of products and product lines a firm offers to the market (Stanton and Futrell, 1987: 215; Kotler, 1983: 270).

The structure of the product mix is understood to possess the qualities of width, length, depth and consistency, which can be adjusted in accordance with the marketing situation. The product mix can be altered, for instance, by increasing the actual number of product lines (width) or the number of items within a product line (length), or the assortment of variants - sizes, colours, models - offered by the product line (depth). On the other hand, the product mix can be thinned out by eliminating an entire line, or by simplifying the length and depth of a particular product line. The latter strategy is often adopted to respond to adverse economic and competitive conditions. A regular review of the costs and profits achieved by the present product mix could facilitate the difficult task of eliminating an unprofitable product (Kotler, 1983: 274; Stanton and Futrell, 1987: 216-217; Pride and Ferrell, 1985: 181-182).

3.3.1.7. Product life cycle

Products are rather like living organisms in that they are born, grow and die. A new product that is commercialized is introduced into the market, grows, matures and eventually

declines. Management are aware of these product life cycles, but the actual pattern that each product will follow cannot easily be predicted. However, unlike biological organisms, product life cycles can be modified and termination avoided or postponed (Pride and Ferrell, 1985: 153-154; Kotler, 1983: 297).

3.3.1.7.1. Introduction

The product's introduction to the market is the start of its life cycle, a stage often hampered by technical and production problems, consumer resistance and distribution difficulties. The production, distribution and promotion of the new product needs careful co-ordination during this stage. Promotion and production costs are invariably high during the introductory stage. Consequently, prices tend to be high and the profit margins low. Fortunately, potential competitors are often caught unaware during the introductory stage of the product's life cycle, minimizing the adverse effect competition may have on sales (Kotler, 1983: 300-301; Lucas, 1983: 277,279,283-284; Schoell, 1985: 293).

3.3.1.7.2. Growth

The growth stage of the product life cycle is characterized by a rapid increase in sales as the product finds ready acceptance in the market, resulting in an expansion of the market. The product strategy during this stage focuses on the improvement of the product quality, entering new market segments, and finding appropriate distribution channels. The promotion emphasis is on persuading the customers to recognize and prefer the company's product brand to those of competitors which are in the market (Kotler, 1983: 301; Lucas, 1983: 280-281,284; Schoell, 294).

3.3.1.7.3. Maturity

The mature stage of the product life cycle is marked by a slowing down of its growth as sales level out, competition

becomes more intense, prices drop and profit margins shrink. Modification of the product's quality, features and style attract new consumers, while marketing mix modifications, such as price cuts, intensified promotion, improved distribution and consumer services stimulate sales (Kotler, 1983: 301-303; Lucas, 1983: 281-282; Schoell, 1985: 295,297).

3.3.1.7.4. Decline

Even the most successful product eventually enters the decline stage of its life cycle as sales fall off gradually, or collapse suddenly. Changes in consumer wants, technological advances and increased competition may account for the decline of a product. Management must decide whether to maintain a declining product in the hope that the situation will improve in the short-term, or to terminate it entirely. Alternatively, a completely new marketing strategy that takes into account the changed circumstances of the market could start the product on a new life cycle (Kotler, 1983: 303-304; Lucas, 1983: 283,288-289; Schoell, 1985: 297-299).

3.3.1.8. Product modification

Before embarking on the development of a new product, the organization takes a critical look at the existing products. Product modification involves changing the quality and style of a product that it may appeal to an entirely different market segment. For instance, by lowering the product quality, and consequently its price, it appeals to a different market segment. The purpose of product modification is to achieve customer satisfaction by offering a product that is more in keeping with customers' needs (Pride and Ferrell, 1985: 180-181; Stanton and Futrell, 1987: 217).

3.3.1.9. New product development

Market environmental changes, as well as altered consumer perceptions and attributes, necessitate new product

development. Product innovation, however, is a risky venture. Surveys in the United States have shown that the failure rate of new consumer products varies between 33 and 40 percent. A good product idea can fail for a number of reasons: an overestimated market; a badly designed product; the incorrect positioning of a product in a market segment; ineffective promotion; and overpricing. The development of a new product requires careful planning, and, consequently, the development of a new product usually goes through various stages of conceptualization and testing before actual commercialization of the product is undertaken (Kotler, 1983: 281-283; Pride and Ferrell, 1985: 182-183).

3.3.1.9.1 Idea generation

A successful new product strategy is in the first place reliant on idea generation, which can be drawn from such sources as consumer market research, new scientific and technological innovations, competitors' products, the sales staff and an innovative management team (Kotler, 1983: 284-286; Lucas, 1983: 252; Pride and Ferrell, 1985: 184).

3.3.1.9.2. Idea screening

All new ideas are screened according to the company's organizational objectives, its human and financial resources, and business viability. It is vital that good ideas are not ignored and poor ideas allowed to go through for development (Kotler, 1983: 287-288; Lucas, 1983: 252-253).

3.3.1.9.3. Business viability

A sales forecast is usually undertaken to evaluate whether the firm's return on investment can be satisfied, thereby establishing the business viability of the product concept (Kotler, 1983: 291-292; Schoell, 1985: 288-289).

3.3.1.9.4. Product concept

Once it has been screened, the product idea is developed into a product concept, expressed in quantitative and qualitative terms. The product attributes are then adjusted in accordance with consumers' needs. Thereafter, selective testing of consumers measures the market's initial response to the new product concept, as well as the relative product position of its competitors. From this information a decision is made whether or not to go ahead with the product concept (Kotler, 1983: 289-290; Schoell, 1985: 289-290).

3.3.1.9.5. Marketing strategy

A marketing strategy for the product is then developed which, firstly, describes the characteristics and attributes of the target market, the intended product position, and the goals projected for sales, market share and profits. Secondly, the marketing strategy outlines the final selling price and profit margins, marketing budget, and availability of distribution outlets. Finally, the marketing strategy delineates the long-term goals for sales, profits, and the marketing mix (Kotler, 1983: 290-291; Lucas, 1983: 258).

3.3.1.9.6. Prototype product

The development of the prototype product is intended to test its safety and technical soundness (Kotler, 1983: 292-293; Lucas, 1983: 256-257). The consumers' response, the effectiveness of different marketing strategies, as well as the identification of any product defects is established by market testing the prototype product. However, there is no certainty that an initial favourable response of the test market will be realized in a successful commercialization of the product. Alternative and less costly methods of market testing include the use of consumer panels to evaluate the prototype, as well as several simulated quantitative techniques (Kotler, 1983: 293-294; Lucas, 1983: 260-262; Schoell, 1985: 290).

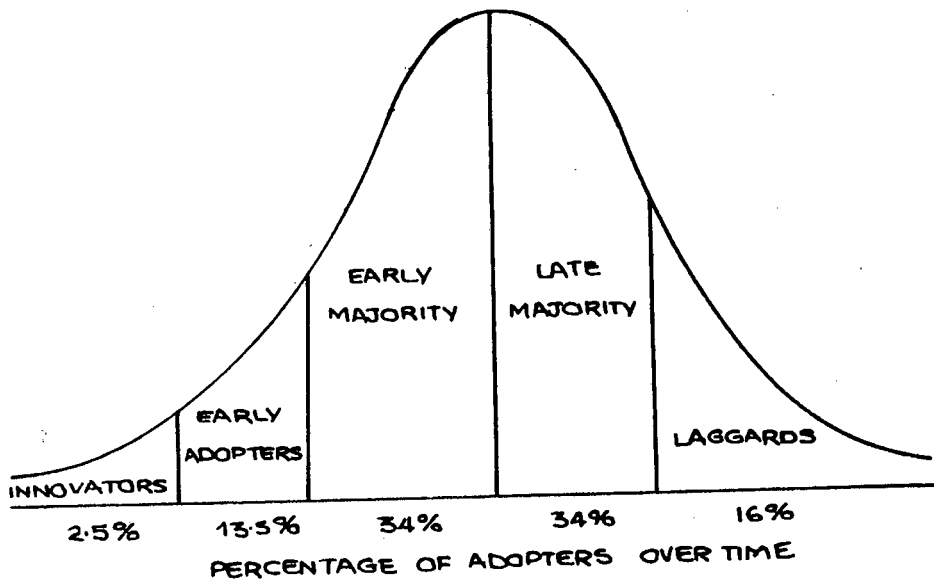


Figure 3.6: Adoption curve of new products
(Adapted from Lucas, 1983: 265)

3.3.1.10. Product adoption

The adoption of the new product by consumers ordinarily follows a similar S-curve to the product life-cycle (of Figure 3.6). Consumers have been identified according to the various stages of adoption as innovators, early adopters, early majority adopters, late majority adopters, and laggards. Usually the product is adopted by the adventurous innovators who take risks easily. They are about 2.5 percent of the market, tend to be younger, have a higher social status, and are financially secure. Innovators learn eagerly about new innovations and often know about a new product even before it has been launched. Early adopters, on the other hand, are the opinion leaders in their communities and usually respected in their social class. They are in contact with the innovations and adopt new ideas and products early, although carefully. They constitute about 13.5 percent of the market and are important for the successful adoption of a new product in the market. Early majority adopters form about 34 percent of the market, and, taking their lead from opinion leaders and from promotional information, readily adopt a new product. The early majority are above-average socially, economically and in taste. Late majority adopters,

representing also some 34 percent of the market, tend towards scepticism, adopting a new product usually out of economic necessity or social pressure. This group is strongly influenced by the word of mouth testimony of both early and late majority adopters rather than through advertising. Finally, the laggards are traditional and suspicious of innovation and change. Forming about 16 percent of the market, laggards tend to adopt a product because it has become traditional. Often the product life-cycle is in decline when the laggards begin to adopt the product (Lucas, 1983: 264; Stanton and Futrell, 1987: 206-207; Kotler, 1983: 159).

3.3.2. Price

The price that a business enterprise charges for its product should cover all the costs of production, distribution, promotion and selling of the product, as well as provide a profitable return on its investment. For the buyer, the price is the value placed on the product and exchanged for a benefit or satisfaction. It can therefore be argued that demand for the product places an upper limit on the price, and the company's costs a lower limit on the price. Price forms a vital part of the marketing mix as it is the only element that produces revenue. Business companies often make the mistake of only linking the price to costs, rather than seeing it as an integral aspect of the marketing strategy. For example, to achieve a greater market share, which is a marketing objective, it may be necessary to price a product for a limited time near, or even below, cost (Kotler, 1983: 324,317; Pride and Ferrell, 1985: 424-425; Schoell, 1985: 573; Lucas, 1983: 473).

3.3.2.1. Pricing objectives

In developing a pricing strategy the enterprise must decide what it wants to achieve with the product. The formulated pricing objectives should be consistent with its business and marketing objectives and, at the same time, they should

be realistically obtainable. Objectives that are clearly stated facilitate the setting of the product's price (Kotler, 1983: 320; Lucas, 1983: 487). Some of the more common pricing objectives include survival, profits, return on investment, market share, product quality, and maintaining the status quo (Pride and Ferrell, 1985: 428; Schoell, 1985: 580-581; Kotler, 1983: 320)

3.3.2.2. Determining demand

The level of demand for a product is influenced by its price. Usually, as the price goes up, demand falls, and, as the price comes down, demand increases. Since the price represents the value the consumer places on the product, it is possible to estimate the demand level at specific prices. For instance, if the price is higher than the perceived value of the product, consumers would consider it overpriced, influencing the demand level. However, consumer perception of value in terms of quality improvement, inflation and competition also influences the level of demand (Kotler, 1983: 320-323; Schoell, 1985: 583-585; Pride and Ferrell, 1985: 432,434).

3.3.2.3. Estimating costs

Price estimation should take into account all costs if the company is to remain in business. Fixed, or overhead costs, such as rent, interest and administrative salaries, are not normally affected by changes in production and sales. The actual costs of production, materials, and labour wages, however, are variable, and they can change as alterations are made in the production of the product (Pride and Ferrell, 1985: 435-436; Kotler, 1983: 324).

Marginal analysis and breakeven analysis are important mechanisms in estimating price. Marginal analysis establishes the average revenue to be earned as well as costs incurred for each additional unit produced (Pride and Ferrell, 1985:

436-438), while breakeven analysis shows the breakeven volume that a product can achieve at a particular price (Pride and Ferrell, 1985: 439-440; Stanton and Futrell, 1987: 274-275). The effect of changed consumer demand, however, still needs to be taken into account in both marginal analysis and breakeven analysis (Stanton and Futrell, 1987: 276).

3.3.2.4. Methods of pricing

The price assigned to a product should however reflect the pricing objective, taking into account production costs, the demand of consumers, and the competition for the market (Pride and Ferrell, 1985: 458; Kotler, 1983: 326).

3.3.2.4.1. Cost-orientated pricing

Cost-orientated pricing methods, including cost-plus and markup pricing, add a certain percentage to the cost of the product to arrive at the price. The price is a reflection of the costs plus a desired add-on profit margin (Pride and Ferrell, 1985: 458-459).

3.3.2.4.2. Demand-orientated pricing

On the other hand, demand-orientated pricing allows the demand level for the product to decide the price, rather than the product costs. A high demand pushes up the price, and a fall in demand brings the price down. This requires an accurate estimation of demand by surveying the consumers' response to alternative pricing strategies. The survey, for example, should determine how much consumers would be prepared to pay for each additional benefit added to a product offer (Pride and Ferrell, 1985: 460; Kotler, 1983: 329; Lucas, 1983: 518). In a market where products are homogeneous, and demand elasticity is difficult to measure, a fair return is assured by balancing the going rate of the market against the firm's own costs (Pride and Ferrell, 1985: 461; Lucas, 1983: 524; Kotler, 1983: 330).

3.3.2.5. Pricing strategies

Costs, demand and competition factors alone do not determine prices. Pricing strategies modify and alter prices to fulfill specific purposes, and to meet changed market circumstances. Temporary adjustments to producers' list prices are frequently made for promotional purposes. For instance, hotels use discounted off-season tariffs to attract additional clients (Kotler, 1983: 338-340; Schoell, 1985: 607-613; Stanton and Futrell, 1987: 286-287).

3.3.2.5.1 Psychological strategies

The psychological impact of price on consumers often influences pricing strategy. Prestigious products for example may be highly priced because of the association that high prices have with quality. Other psychological pricing stratagems include varying prices for leader products to attract attention, and similarly, initial attraction of low-priced products to make consumers also aware of higher priced products; constant prices for a product line to ease purchase decisions; and, price minimization which is based on the belief that consumers feel a product to be priced more cheaply, at, say R99,98 rather than R100 (Pride and Ferrell, 1985: 453-456; Kotler, 1983: 331-332; Schoell, 1985: 618-619).

3.3.2.5.2. Discriminatory strategies

Discriminatory pricing is used, firstly, to differentiate customers, as illustrated by differing museum admissions for children and adults (Kotler, 1983: 340-341; Stanton and Futrell, 1987: 293). Secondly, it is used to absorb the cost of transportation by charging a higher price for a product marketed in a distant geographical location (Kotler, 1983: 336-338; Stanton and Futrell, 1987: 290-291; Pride and Ferrell, 1985: 465). Thirdly, it is used to exploit the market by pricing high those products that are innovative,

prestigious and lack competition. Finally, it is used in a saturated market by lowering prices to attract demand (Kotler, 1983: 341-342; Stanton and Futrell, 1987: 292).

3.3.3. Place, or, distribution

3.3.3.1. Marketing channels

Distribution, together with the other marketing mix elements of product, price and promotion, provides for the consumer the benefits of place, time, and possession of satisfaction. The distribution decisions taken by management play a critical role in ensuring a successful marketing mix strategy. Regardless of its quality, the poor distribution of a product results in consumer dissatisfaction with product unavailability, and concomitantly, sales are adversely affected. The place of distribution also influences the image of the product (Lucas, 1983: 317-318; Kotler, 1983: 354).

3.3.3.2. Management of distribution

An efficient system for the physical distribution of the product is essential for customer satisfaction (Stanton, 1985: 388). Consumers demand speedy delivery, efficient product handling, the replacement of defective goods and accessibility of the product. To meet these requirements and to minimize the costs of physical distribution necessitates a trade-off between the benefit to the customer and the total costs of distribution (Stanton and Futrell, 1987: 390-391; Schoell, 1985: 431,433; Kotler, 1983: 375). Physical distribution is accomplished through the order process, warehousing, inventory control and transportation (Kotler, 1983: 375). The order process, routines of invoicing, dispatch, back-ordering, credit approval and accounting should be done accurately and quickly if the customer is to enjoy the benefit of timely delivery (Kotler, 1983: 376; Schoell, 1985: 444). When planning the distribution system the key consideration must be: "what is best for our customers" (Manning, 1989: 18).

3.3.3.3. Marketing intermediaries

To bring their products to the market, producers often make use of marketing intermediaries (or middlemen). A distribution channel, or marketing channel, is a group of interrelated intermediaries, such as wholesalers, agents and brokers, and retailers, who direct products to customers by overcoming the distribution problems of transportation, storage, marketing information, and distribution costs that separate the product benefit from those who want and need it. Specialized in distribution channel functions, marketing intermediaries facilitate division of labour and offer the manufacturer of the product a more efficient and economic access to the market than could have been achieved if the manufacturer operated on his or her own (Pride and Ferrell, 1985: 208-209; Kotler, 1983: 354-356; Lucas, 1983: 326-327). In the past, marketing intermediaries operated independently of one another's distribution functions, concerned mainly with their own profit. However, increasingly they have become unified in a vertical structure, either through ownership or enfranchisement of the entire system by one of the intermediaries (Kotler, 1983: 360; Pride and Ferrell, 1985: 220-221; Stanton and Futrell, 1987: 370). Intermediaries who operate at the same level of distribution, yet lack the necessary knowledge, capital or production resource, or, are afraid of undertaking the risk of an independent operation, often integrate their organizations in a horizontal structure that functions on a voluntary basis, as exemplified by the SPAR retailers in South Africa (Pride and Ferrell, 1985: 221-222; Kotler, 1983: 363; Lucas, 1983: 329).

Inevitably there are varying degrees of cooperation, conflict and competition between marketing intermediaries, which can be regulated through licensing and policy agreements, enhanced flow of information, minimization of distribution costs, and improved consumer satisfaction (Kotler, 1983: 365; Pride and Ferrell, 1985: 224-225; Schoell, 1985: 342-343).

3.3.3.4. Atmospherics

An essential quality in distribution, particularly retailing, is the so-called 'atmospherics' of a place, which is described as "the conscious designing of a store's space to create emotional effects that enhance the probability that consumers will buy" (Pride and Ferrell, 1985: 265). The right use of colour, sound, space, interior design and layout contribute significantly to the visual impact of environmental space. A good colour configuration both attracts shoppers and places them at their ease. A quiet, studious atmosphere for a library or art gallery can be created through low ceilings, carpeting, as well as by the hushed tones and calm manner of the personnel. Space contributes significantly to the feel of an environment. For instance, physical density may befit the intimacy of a street market, but in an exclusive shopping environment there should be a feeling of spaciousness and ease (Cowell, 1984: 237-238; Pride and Ferrell, 1985: 265).

In short, the atmosphere of a place should reflect the preferences of the target market (Pride and Ferrell, 1985: 266). It is therefore vital for retailers constantly to evaluate whether the intended projected image is getting across to their target market (Schoell, 1985: 387-388).

3.3.4. Promotion

3.3.4.1. Role of promotion

According to Pride and Ferrell, the "role of promotion is to communicate with individuals, groups, or organizations to directly or indirectly facilitate exchanges by influencing one or more of the audiences to accept an organization's products" (1985: 322). Promotion facilitates the exchange relationship: firstly, by differentiating the organization's product in the market from all competitive products or brands; secondly, by providing information about the

product; and, finally, by influencing the attitude and behaviour of the consumers in favour of the organization and its products or services (Stanton and Futrell, 1987: 419; Lucas, 1983: 379).

3.3.4.2. The communication process

The promotion of a product or service takes place through the communication process. At the simplest level, the communication process consists of the sender (or source), the receiver, the message, and the communication channel (medium). For the communication process to function properly, the message must first be encoded and transmitted through the communication channel, and then, be decoded by the receiver. The meaning of the message, however, may be altered by distortion (referred to as 'noise'). Communication noise may be caused by technical factors such as faulty transmission, printing errors, or, a physical disability such as laryngitis. The response of the receiver to the message is known as 'feedback', which enables the sender to determine how the message has been interpreted by the receiver (Kotler, 1983: 429-430; Stanton and Futrell, 1987: 421).

In the formulation (encoding) of the sender's message it is important that the communication symbols chosen should be understood by the receiver, and are familiar to him or her. In marketing, the message usually focuses on the benefits and qualities offered by the product, or, the fears, guilt, and pride of the customers. The sender's message can be conveyed to the receiver by means of personal or mass media communication channels. In a personal, face-to-face communication it is possible for the sender, for example a salesperson, to shape the message according to the individual perception of the receiver. However, a larger number of people can be reached through mass communication channels such as the print media (newspapers and magazines) and the broadcasting media (radio and television), although the

sender has less control over how individuals within the target market will decode the message. The communication channel chosen should be appropriate for the intended target market. It would be futile to use, for example, television as a mass communication channel if the intended target market predominately uses radio (Schoell, 1985: 466-470; Pride and Ferrell, 1985: 324-326).

The receiver of the coded message can either be a person, group, or organization. No communication will take place, however, unless there is a willingness or ability to understand the decoded message. The decoding of the message is determined by such factors as the geographic, demographic, socio-cultural and psychographic characteristics of the targeted audience, as well as by their selective perception and retention of the advertised message. During face-to-face communication the salesperson (sender) is able to adjust a message which may have been misunderstood, in order to elicit the appropriate feedback. A decline in the sale of a promoted product is also a form of feedback. Marketing research, however, is usually needed to determine how much of the message the target audience has retained, the amount of exposure to the message it has received, and, the behavioural response to the message in terms of product adoption which has been observed. Companies encourage immediate feedback by including in the message an invitation for consumers to express their response to a product or service (Schoell, 1985: 470-472; Pride and Ferrell, 1985: 326-327).

3.3.4.3. The promotional mix

There are several promotional ingredients that a company can use to communicate with targeted individuals, groups and organizations. The four main promotional mix ingredients available are advertising, personal selling, publicity and sales promotion. Each of these promotional tools has its own characteristics and costs. The extent to which all four, or only some, of the ingredients of the promotional mix are

used would very much depend on the nature of the product and the marketing objectives of the company (Schoell, 1985: 473-474; Pride and Ferrell, 1985: 331-332).

3.3.4.3.1. Personal selling, or, contact

Of all the promotional mix ingredients, personal selling is the most individually directed at the consumer, and, it is used to inform and persuade prospective customers to purchase the goods, services, ideas, or causes offered by the organization. In contrast, advertising, sales promotion and publicity are impersonal forms of communication (Pride and Ferrell, 1985: 333; Stanton and Futrell, 1987: 440).

Of the four promotional mix ingredients, personal selling is the most expensive, even exceeding the high costs of advertising and sales promotion. The expense lies essentially in training and keeping a permanent sales force in the field. Yet, personal selling has a particularly strong marketing impact since it focuses mainly on prospective customers, whereas much of the effort of advertising and sales promotion is wasted on many disinterested persons. Even at the casual level of selling on the shop floor, a living interaction takes place between the salesperson and customer. The intimacy and success of the sales relationship determines the image of both the company and its product in the mind of the customer. The response of the customer (feedback) enables the salesperson to adjust immediately the sales presentation so that it is in keeping with the requirements of the customer, and thereby, possibly, securing a successful sale. The flexibility of personal selling to adjust the promotional message in response to the customers' feedback, does not exist with advertising and sales promotion. As salespersons have the most direct and intimate contact with target customers, companies often obtain from them valuable information concerning the requirements of customers, the success of the marketing mix strategy and the market position of the company's product. (Pride and

Ferrell, 1985: 333-334; Schoell, 1985: 536-537; Kotler, 1983: 440; Stanton and Futrell, 1987: 440).

The sales presentation can be undertaken by a single salesperson or a sales team, either by approaching an individual customer or group directly, or by presenting conferences and seminars to disperse information and educate prospective customers about the product. For the sales strategy to be effective, the sales representatives must enjoy full support from management and the technical and administrative staff (Kotler, 1983: 483-484; Schoell, 1985: 540).

3.3.4.3.2. Advertising

Advertising is an impersonal form of communication transmitted through media such as broadcasting (radio, television, etc.), print (newspapers, periodicals, etc.) direct mail (catalogues, circulars, letters, etc.), mass transportation (on trains and buses, etc.), and novelties (stationery, calendars, etc.) (Kotler, 1983: 450; Pride and Ferrell, 1985: 332; Schoell, 1985: 474).

Advertising is used to promote goods, services, ideas, causes, images and individuals. Advertising is particularly useful in creating interest in a new product, service, or concept (referred to as pioneering advertising). Advertising builds up selective demand by emphasizing a product's salient features, uses and advantages, or, expands demand by giving attention to different uses for a product or service. A product's market share can be maintained by reminding customers that a product or service is still in existence. Advertising helps reduce sales fluctuations by promoting price reductions, better service, and so on (Pride and Ferrell, 1985: 349-353; Schoell, 1985: 499,501; Kotler, 1983: 454).

Although the cost per person reached is probably low, advertising through the various mass communications channels

can be very expensive. Its very cost could preclude it from being used in the promotional mix. It is also difficult to measure the effect of advertising on sales because feedback is not easily obtained (Pride and Ferrell, 1985: 333).

3.3.4.3.3. Sales promotion

Sales promotion is intended to attract the attention of customers, to inform them about the product and encourage its trial use. In order to achieve these results discount coupons, demonstrations of products, trading stamps earned on purchase of a product, and point-of-sale displays can be turned to good account (Pride and Ferrell, 1985: 408-413; Kotler, 1983: 467-469). Sales promotion is most often adopted for the introduction of a new product to stimulate trial usage. It is frequently put in service to attract new customers and increase the number of users of a brand in preference to competitors' brands. Sales promotion is also utilized by manufacturers to encourage retailers to take on larger inventories, and carry their new products and product lines in preference to those of competitors. It is also a valuable promotional tool to encourage salespersons to give greater support for a product and to extend their sales activities (Kotler, 1983: 467; Pride and Ferrell, 1985: 406; Stanton and Futrell, 1987: 477).

3.3.4.3.4. Publicity

Publicity often tends to be associated with public relations and is usually put to use to create a positive image for the organization with its various publics, viz., its customers, personnel, stockholders, government departments, and the general public (Pride and Ferrell, 1985: 375; Stanton and Futrell, 1987: 482). Kotler, therefore, suggests that a publicity expert from the public relations office be assigned within the marketing department to help specifically with the promotion of the organization's products or services (1983: 471-472).

The main channel for publicity is the mass media. The ideal publicity situation occurs when a news story is carried spontaneously by newspapers, radio and television about a new product. An excellent example of such product publicity took place in 1982 when news about Enro Rubik's Cube was carried by the news media and articles appeared in such periodicals as Scientific American. The product had been launched by means of a press conference attended by celebrities, to boost the event. Further interest was generated by the sponsoring of a nation-wide contest (in the United States) which was broadcast on television. Undoubtedly, the extensive publicity that the Rubic Cube received must have contributed to some measure to its worldwide popularity (Schoell, 1985: 527).

However, there is no guarantee that the news media will respond favourably to an organization's request for publicity for a new product. The information must be newsworthy and of high public interest. Publicity may be conveyed in several ways to the news media. The news release is the most common publicity tool and may consist of a single typed sheet of approximately three hundred words. For additional information the name of a contact person may be given with the news release. Lengthy feature articles, prepared video tapes for television, press conferences, sponsored events and national contests are all additional ways of attracting media attention and of obtaining free publicity for a product or service. Other publicity devices include letters to the editors of newspapers or journals, captioned photographs and open-house invitations to the press (Pride and Ferrell, 1985: 376-377; Schoell, 1985: 526-527; Stanton and Futrell, 1987: 482).

A major advantage of publicity is its credibility. Advertising may be perceived by the public as biased communication, but publicity in the form of a news item or feature article carries a higher level of credibility. Publicity usually conveys more information than an advertisement, and it is

able to highlight the salient features of a product with what appears to be greater objectivity. The regular feature articles that appear in motoring periodicals on the technical attributes of what is currently the latest car model are excellent examples of the power of publicity. These reports are more likely to carry authority with the motoring public than would glossy advertisements. However, advertising that appears in conjunction with publicity can be most effective in reinforcing the company's message to its target market (Kotler, 1983: 441; Stanton and Futrell, 1987: 482-483).

Publicity has the further advantage that it does not carry direct media costs, although to maintain a publicity staff can be a significant expense for a company. Furthermore, the company has no control over the contents and timing of the publicity communication. For example, the motoring feature articles mentioned above may include a negative report on a new car model. In addition these reports may fail to appear at the same time as the company's major advertising campaign. Unless the publicity material is perceived as newsworthy by the news media and of interest to the public, it will not receive much, or any, media exposure (Pride and Ferrell, 1985: 379; Stanton and Futrell, 1987: 483).

3.3.4.4. Selecting promotional ingredients

The particular emphasis that may be given to any one, or all, of the four ingredients of the promotional mix would depend on a number of interrelated factors. In the first place, the financial resources of the organization would determine whether the entire range of the promotional mix could be adopted. Advertising is not a viable promotional tool where there is a limited promotions budget. The promotion objectives however shape the promotional mix. For example, the mass promotion of a product requires an emphasis on advertising and sales promotion. If the producer is promoting the product along the marketing channel, known as adopting a push-strategy, then the main promotional emphasis

would fall on personal selling. On the other hand, where demand is passed back through the marketing channel by the retailer to the producer in the form of product orders (pull-strategy), the main promotional mix ingredients utilized to create such a strong consumer demand are advertising, sales promotion and publicity (Pride and Ferrell, 1985: 335-336; Stanton and Futrell, 1987: 423; Kotler, 1983: 443-444; Schoell, 1985: 478-479).

The requirements and characteristics of the target market must also be considered when determining the promotional mix. Advertising, sales promotion and publicity are the most powerful tools for reaching large markets, particularly when promoting convenience goods, which require marginal consumer decision-making, and, where an awareness, liking, and even preference for the product needs to be stimulated. Personal selling, on the other hand, is most effective in reaching limited target markets, and, particularly, in communicating information about the product to the consumers which encourages its trial adoption (Pride and Ferrell, 1985: 328,337; Stanton and Futrell, 1987: 424-425; Kotler, 1983: 430-432; Schoell, 1985: 477-478).

3.4. THE MARKETING PLAN

The marketing plan, which contains all the details of the marketing planning process, is drawn up for each product, service, or, even an entire market. The plan usually contains several parts.

The executive summary, which is a concise synopsis of the detailed marketing plan and usually introduces it, provides an overview of the marketing objectives, marketing strategy, estimated costs and, any recommendations (Lucas, 1983: 584; Kotler, 1983: 525).

Following on from the executive summary is the market audit which provides information on the current marketing situation,

and the major environmental threats and opportunities facing the organization. The marketing audit is a critical appraisal of the organization's present marketing effort and the success of its marketing mix strategy. The situation analysis describes the served target market; its size in terms of sales, market share or profit; the product performance in terms of sales and margins; competitors' products; pricing; distribution strategies; and, the trend and development of the major distribution channels. The strengths and weaknesses of the organization are identified in relation to its resources, capabilities, mission, objectives and strategies. Finally, the environmental threats and opportunities are identified, and, recommendations are made as to how the organization could counter the threats and exploit the opportunities that it faces (Lucas, 1983: 584; Schoell, 1985: 78; Kotler, 1983: 525-526; Stanton and Futrell, 1987: 53).

The marketing strategy for the product, service or market follows the situational analysis, and, it includes the selection of the target markets, the marketing mix, the marketing objectives and goals and the estimated level of marketing expenditure. At this stage of the marketing plan the market segments that are best served in terms of the organization's resources, capabilities and objectives should be clearly identified and described. The marketing goals, which are stated in quantitative terms (e.g. increase market share from 10 percent to 15 percent), are an expression of the marketing objectives and strategy to be obtained within the time span of the marketing plan. The marketing mix that is outlined should be developed in relation to the organization's resources and capabilities, as well as the needs of the target market. "A well-blended marketing mix means that the right product is in the right place at the right time at the right price and that present and potential customers know about it" (Schoell, 1985: 81).

The marketing plan should outline the action programme in terms of what is to be done, when, by whom, and how much it

will cost. The budget given in the marketing plan is a projected formulation of expected income from sales and the estimated costs for production and marketing. The difference is the estimated profit. After approval by management, the budget, which forms the basis for all subsequent production and marketing activities, provides together with the stated goals the necessary quantitative controls for the marketing plan (Lucas, 1983: 585; Schoell, 1985: 79,81-82,85; Kotler, 1983: 527-528).

3.5. CONCLUSION

Marketing is fundamentally concerned with those exchange relationships that satisfy human needs and wants. Therefore, the marketing concept, in essence, orientates the total effort of the organization's human, material and financial resources towards satisfying the needs and wants of its customers, thereby achieving its organizational objectives.

To achieve this end it is imperative that the top management of the organization regularly scans the market environment to identify any changes that may threaten the survival of the organization, or, offer opportunities for its future growth. Usually this environmental scanning is undertaken together with a portfolio analysis.

Arising from its strategic marketing analysis, target markets are identified for those products and services that serve the objectives of the organization and will satisfy the needs of the customers. The marketing plan outlines the situational assessment, identifies the environmental opportunities and threats, pinpoints the organizational strengths and describes the marketing strategy, its objectives and goals, and the best way of implementing the marketing mix to achieve the organizational objectives.

Chapter 4

THE MARKETING OF NONPROFIT AND SERVICE ORGANIZATIONS

4.1. THE BROADENED MARKETING CONCEPT

In Chapter 1 (cf 1.4.2) it was noted that the marketing concept directs an organization to achieve its objective by integrating all of its resources towards satisfying the needs of its customers. It has been forcefully argued by Webster that the marketing concept only became acceptable in the business community during the mid-1950s. Until then marketing had been equated with selling and the "key to profitability was greater sales volumes" which focused on the product rather than the consumer (1988: 31). The change came with the maturing of the post-war economy of the United States in the 1950s. It was at this stage that Peter Drucker argued that the purpose of marketing was to manage the business "from the customer's point of view", and "to create a satisfied customer" (Webster, 1988: 31). Similar arguments were put forward during this period that described the function of marketing as doing "what suits the interests of the customer" (Webster, 1988: 32). At the beginning of the 1960s, Levitt argued forcefully in his landmark article that management "must think of itself not as producing products but as providing customer-creating value satisfactions ... In short, the organization must learn to think of itself not as producing goods or services but as buying customers, as doing the things that will make people want to do business with it" (1960: 56).

Yet, even as the marketing concept found acceptance amongst the business community, marketing was still seen as applicable only to business organizations. However, in the late 1960s Kotler and Levy defined the marketing concept as "a pervasive societal activity that goes considerably beyond the selling of toothpaste, soap and steel" (1969: 10). Central to their broadened marketing concept is the idea "that

effective marketing requires a consumer orientation instead of a product orientation", and this necessitates that an organization should "keep in constant touch with ... [its] consumers, read their needs, develop products that meet these needs, and build a program of communications to express the organization's purposes" (1969: 15). After the appearance of this seminal article, the product was seen to extend beyond tangible physical goods, and to include intangible services such as banking and hairdressing, as well as ideas such as the promotion of birth control. At first the broadening of the marketing concept was not universally accepted. "Critics soon appeared who warned that the broadened concept could divert marketing from its true purposes and dilute its context" (Kotler, 1972: 46; cf also, Lusch and Lusch, 1987: 616). Today, however, most marketing textbooks include a chapter on nonprofit marketing (see for instance, Stanton and Futrell, 1987: 512-529; Pride and Ferrell, 1985: 638-650; Assall, 1985: 725-745; Lusch and Lusch, 1987: 615-633; Bush and Houston, 1985: 866-877). These writers point out that "nonprofit institutions such as museums, charitable organizations, and colleges also market their offerings" (Assall, 1985: 725). Yet, these nonprofit organizations "do not realize that they are running a business and ... [that] they do need to identify their goals, plan strategies and tactics to reach these goals, effectively execute their plans, and evaluate their performance" (Stanton and Futrell, 1987: 517). Kotler is then able to conclude: "It appears that marketing for nonprofit organizations is an idea whose time has come" (1979: 38).²

At the same time, many of the product offerings of nonprofit organizations are intangible services rather than tangible products (Bush and Houston, 1985: 866; Stanton and Futrell, 1987: 514). Equally, many business enterprises are service-orientated. In the United States, some seventy percent of the national income is accounted for by such services as communication, transportation, food and lodging, finance, health, education and government (Heskett, 1987: 118).

Notwithstanding that "we still do not have general agreement regarding what service marketing encompasses" (Stanton and Futrell, 1987: 496), the experiences and influences of services marketing cannot be ignored. Of particular importance in the development of the marketing concept is the concern of services marketing with the relationships and interactions that take place between the service firm and its various customers, as well as the relationships within the organization (cf 4.3.3).

4.2. MARKETING NONPROFIT ORGANIZATIONS

The apparent differences that at first seem so significant between profit and nonprofit organizations, when examined more closely, become less important from a marketing perspective. Kotler and Andreasen (1987: 12-13) point out that nonprofit organizations are often distinguished from profit organizations by their sources of income or forms of control. Income can be derived from a variety of sources: voluntary donations, government revenue, profit, or any combination of these sources. Similarly, organizational control includes sole enterprises, partnerships, associations, corporations and foundations.

4.2.1. Characteristics of nonprofit organizations

4.2.1.1. Customers and the public

Business enterprises direct their efforts towards satisfying their customers, based on the idea that satisfied customers lead to profitability. Consequently, the profit-directed company has "but one primary constituency to which it provides products and from which it receives funds", whereas the nonprofit organization serves its "clients to whom it provides goods and/or services, and donors from whom it receives resources" (Shapiro, 1973: 124). The marketing effort of the nonprofit organization is directed towards attracting and obtaining resources from donors (i.e. resource

attraction), which must then be allocated to clients in the form of goods or services (i.e. resource allocation) (Lusch and Lusch, 1987: 617; Stanton and Futrell, 1987: 515). Lusch and Lusch define the donor public as "those people who give time, money, or other resources to a nonprofit organization", and the client public as "those people who will receive the output or benefits of the nonprofit institution" (1987: 622).

Attracting resources from the donor public "is a highly sophisticated marketing task", requiring the segmentation of the donor market into homogeneous groups and the establishment of a product position that will generate the most effective appeal. Resource allocation necessitates that the nonprofit organization, in the same way as the business organization intent on profit, should define the fundamental nature of its business (Shapiro, 1973: 125). "Marketing activities designed to attract and to allocate are likely to be very different" (Assall, 1985: 728). For instance, a cancer society may solicit contributions from donors by using direct mail, while the funds thus acquired may then be used to develop television commercials to communicate with the general community.

Nonprofit organizations, like business enterprises, deal with more than one public, for example, government departments, activist groups and the general public. The nonprofit organization's reliance on attracting resources necessitates that it direct its marketing effort towards these multi-publics. For instance, the university directs its marketing strategy towards its present, potential and past students; the parents; the business community; and the government (Kotler, 1982: 9; Bush and Houston, 1985: 866).

4.2.1.2. Multiple exchanges

The transaction exchange of value between two parties, which according to Kotler (1972), "need not be limited to goods,

services and money ... [but] include[s] other resources such as time, energy, and feelings" (1972: 48), is a core concept of marketing (cf 1.4.1). When a donation is made to a charity organization, the exchange involves the donor giving money to the organization in exchange for "receiving one or more intangible feelings" (Bush and Houston, 1985: 868). Religious, social and civic nonprofit organizations exchange benefits, such as personal satisfaction or well-being, with their donors and their own staff (paid or voluntary) in order to obtain resources (such as money, goods, etc.) and services. At the same time, nonprofit organizations provide both services (such as health care or personal growth), and goods (such as food and clothing for the needy). In exchange the recipient may give money, or sacrifice previously held social views and behaviour (such as poor driving, drug dependence, etc.) (Assall, 1985: 728-729; Kotler and Andreasen, 1987: 26).

It is therefore important for the nonprofit organization to recognize the meaning of the exchange concept when planning its marketing strategy (Bush and Houston, 1985: 869). Since it is part of the generic concept of marketing to create, stimulate and facilitate valued transactions (Kotler, 1972: 49) (cf 1.4.1), the nonprofit organization "should consider what elements in its reputation or resources can be exploited to create a special value in the minds of its potential customers" (Kotler and Levy, 1969: 14) (cf 3.1.1.1).

A contradictory view, however, is expressed by Capon and Mauser in their review article on nonprofit marketing textbooks. Amongst the authors they reviewed were Philip Kotler and David Rados. Capon and Mauser claim that Kotler's voluntary exchange of values does not explain what nonprofit organizations are about. They favour the approach of David Rados who they maintain states "that marketing is a technology for behavior change that is used by organizations to get large numbers of people to do things". Therefore, nonprofit marketing, in their view, is concerned with "persuasive

communications and adaptation to existing patterns of behavior" (1982: 127). Capon and Mauser justify their argument on the grounds that a nonprofit organization, such as a church or university, does not change its core mission to accommodate its constituent public (1982: 128). This argument, however, does not take into consideration the fact that the potential clients are most unlikely to respond to the organization's message unless some benefit is gained in exchange for what is given up to the organization (e.g. time, money, loyalty or changed behaviour). Furthermore, during the 1970s the marketing of beneficial social ideas and causes became acceptable as a marketing activity. This is referred to as social marketing and it emphasizes searching "for the best product to meet the need" (Fox and Kotler, 1980: 26).

4.2.1.3. Multiple objectives

Nonprofit organizations tend to pursue several objectives simultaneously. For instance, a museum may be equally concerned with acquiring new collections and donations, entertaining and educating the public, as well as fulfilling the professional aspirations of its scientific staff (Kotler, 1982: 9; Bush and Houston, 1985: 867).

Multiple objectives are also found in the business organization where, in particular, its social responsibility can no longer be isolated from its profit objective (Hilliard, 1989: 30). It has become part of the modern corporate culture also to pursue several social objectives, such as supporting social programmes of education, health care, community development and even the development of small business enterprises (Largier, 1989: 184-185). Ten years ago corporate social responsibility in South Africa still tended to be low-key (Wagenaar, 1979), but today, in response to the changing socio-political environment, South African business has "one of the most highly developed corporate social responsibility systems in the world" (Lewis, 1989: 87).

4.2.1.4. Public scrutiny

Profit-orientated organizations are accountable to their owners and shareholders for the achievement of their objectives. Nonprofit organizations, on the other hand, are usually accountable to public authorities for the achievement of their objectives. For instance, in this country universities, museums and hospitals are largely subsidized by the government. Consequently, their activities are influenced and restricted by government legislation and regulations. Even independent, commercially-orientated nonprofit organizations such as medical aid societies find that their tariffs are regulated by government legislation (Assall, 1985: 729; Bush and Houston, 1985: 867; Kotler, 1982: 9; Pride and Ferrell, 1985: 642-643). The contemplated privatization of many public services in South Africa, such as health care, postal communication, transportation and scientific research may, however, change this form of public scrutiny.

4.2.1.5. Orientated towards service

Nonprofit organizations usually tend to market services rather than physical products. Consider, for example, the health, communications and public security services provided by public organizations, as well as the many educational, social and religious services offered by schools, charitable organizations and churches. The problems of services marketing, consequently, become particularly relevant when considering the marketing of nonprofit service organizations (cf 4.3.1) (Assall, 1985: 729-730; Bush and Houston, 1985: 866; Kotler, 1982: 9).

4.2.2. Marketing nonprofit organizations

Strategic marketing planning is in essence no different for a nonprofit organization than it is for an enterprise intent on profit. Customer-orientated nonprofit organizations also

go through the marketing process of situation analysis, establishing marketing objectives, segmenting the market, and applying the marketing mix strategy.

4.2.2.1. Situation analysis

As the first step of the strategic marketing planning process, a nonprofit organization must undertake a situation analysis in the same way as a profit-orientated business firm, focusing particularly on the competition, and the strengths and weaknesses of the organization (Bush and Houston, 1985: 869). The nonprofit organization examines the same marketing and consumer environmental factors, and undertakes the same organization assessment that the business enterprise must consider (cf 3.1).

4.2.2.1.1. Environmental opportunities and threats

In the previous chapter (cf 3.1.1) attention was given to the environmental opportunities and threats that face any business enterprise. The nonprofit organization must undertake a similar analysis of its environment to identify those threats and opportunities that it faces. Threats are assessed in terms of their potential severity and probability of occurrence, whereas opportunities are considered in terms of their potential attractiveness and success probability (i.e. the organization's ability to develop the opportunity) (cf Figure 4.1) (Kotler, 1982: 85-87).

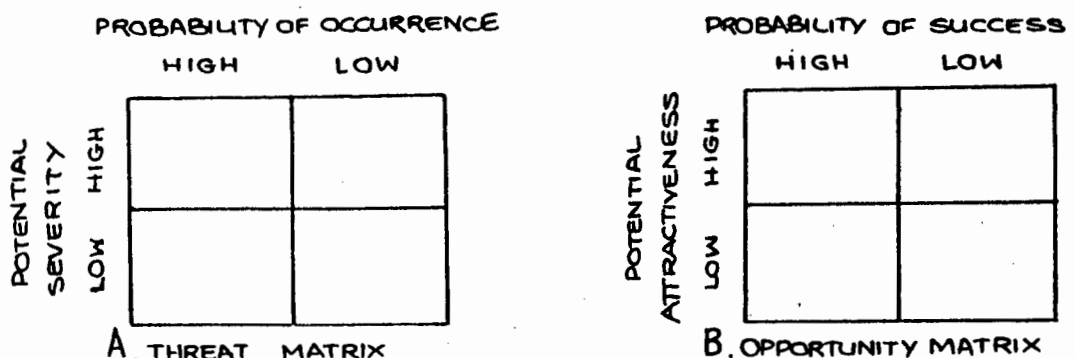


Figure 4.1: Threat and opportunity matrices
(Kotler, 1982: 86)

As a consequence of identifying opportunities and threats, the marketing organization could be faced with four different situations:

- * an ideal situation: many opportunities and few threats;
- * a speculative situation: strong opportunities and strong threats;
- * a threatening situation: only strong threats; and
- * a mature situation: neither significant threats nor opportunities (Kotler, 1982: 87).

4.2.2.1.2. Resource analysis

The purpose of the organizational resource analysis, according to Kotler, is "to identify the major resources that the organization has (its strengths) and it lacks (its weaknesses)" (1982: 88) (cf 3.1.2). Each resource should be examined as to whether it is a strength (high, medium or low), neutral, or a weakness (low, medium or high). The organization usually avoids those opportunities for which it lacks the necessary resources, unless these resources can be strengthened. In particular, it concentrates on those opportunities for which it has a "distinctive competence" in terms of its resources and abilities, and, simultaneously, possesses a "differential advantage" over its competitors. To ensure that it obtains a reliable view of its strengths and weaknesses, the organization undertakes "an image study of how it is perceived by its key publics" (Kotler, 1982: 88-89).

4.2.2.1.3. Strategic portfolio analysis

To achieve its goals, and to help it to adopt a feasible marketing strategy, the nonprofit organization should develop a product portfolio strategy in the same way as the profit-directed firm (cf 3.1.3) (Kotler, 1982: 93). Assall points out that portfolio analysis "can be used to guide the

allocation of the nonprofit agency's limited resources to new and existing services". Portfolio analysis therefore "guides management in the important decisions of which services to maintain or delete, and suggests the viability of introducing new services" (1985: 734).

(a) Academic portfolio analysis: Based on the portfolio analysis models discussed in Chapter 3 (cf 3.1.3), Kotler has developed the academic portfolio analysis model which is more appropriate for nonprofit organizations. This model rates products and services according to their 'quality', 'centrality', and 'market attractiveness'. Quality is concerned with the quality and reputation of the organization's programmes relative to programmes offered by competitors. Centrality is concerned with the degree to which service programmes are central to the organizational mission. Market viability (or attractiveness) is the degree to which the market is sufficient in size and growth for the service programmes (Kotler, 1982: 97-98; Wood and Young, 1988: 164). Using Kotler's model (cf figure 4.2), a service programme placed in the upper-left block would be rated high in quality, centrality and market viability, and justify a market strategy of growth stimulated through additional funding. A service programme placed in the lower-right block is rated so low in quality, centrality and market viability that it becomes a possible candidate for termination. The service programme placed in the upper-right block, however, should be brought in line with the organization's mission before continuing a strategy of market growth.

(b) The four-way portfolio analysis: An alternative portfolio model that considers each service programme offered by the organization in terms of its benefits and financial returns is proposed by Gruber and Mohr (cf figure 4.3). They argue that programmes should be retained, upgraded, or eliminated, and new programmes introduced, not only in terms of their intrinsic value or worthlessness, but also whether they contribute to the overall growth and development of the

| | | CENTRALITY | | |
|---------|--------|---|---|--|
| | | HIGH | MEDIUM | LOW |
| QUALITY | HIGH | PSYCHOLOGY STRATEGY: • BUILD SIZE • BUILD QUALITY | | AFRICAN STUDIES STRATEGY: • BUILD SIZE • BUILD QUALITY |
| | MEDIUM | | GEOGRAPHY STRATEGY: • HOLD SIZE • HOLD QUALITY | |
| | LOW | PHILOSOPHY STRATEGY: • REDUCE SIZE • BUILD QUALITY | | CLASSICAL LANGUAGES STRATEGY: • REDUCE SIZE, OR • TERMINATE |

Figure 4.2: Academic portfolio model
(Adapted from Kotler, 1982: 98)

| FINANCIAL RETURNS | POSITIVE | <u>SUSTAINING</u> (NECESSARY EVIL?) BASIC STRATEGY: MAINTENANCE USE OF FUNDS: SUBSIDIZE "WORTHWHILE" PROGRAMMES | <u>BENEFICIAL</u> (BEST OF POSSIBLE WORLDS) BASIC STRATEGY: CAUTIOUS EXPANSION USE OF FUNDS: TRADE-OFF-PLOUGHBACK OR SUBSIDIZE "WORTHWHILE" PROGRAMMES |
|-------------------|----------|---|--|
| | NEGATIVE | <u>DETRIMENTAL</u> (NO REDEEMING QUALITIES) BASIC STRATEGY: PRUNING USE OF FUNDS: NONE AVAILABLE | <u>WORTHWHILE</u> (SATISFYING, GOOD FOR SOCIETY) BASIC STRATEGY: CAREFUL NURTURING USE OF FUNDS: NONE AVAILABLE |
| | | LOW | HIGH |
| | | BENEFITS (SOCIAL VALUE) | |

Figure 4.3: 4-Way programme classification model
(Gruber and Mohr, 1982: 17)

organization. According to their model, 'beneficial' programmes "contribute greatly to the social goals of the organization" while they, simultaneously, "contribute to the survival of the organization in a very practical way".

'Worthwhile' programmes are rated "high in terms of relevant social benefits but ... they are costly to operate - costs exceed fees". 'Sustaining' programmes are rated "low in terms of the social benefits they provide but ... provide positive financial returns" - such as a museum gift shop. 'Detrimental' programmes are judged "low in terms of benefits and producing negative financial rewards", and are, therefore, candidates for pruning (1982: 17-18).

4.2.2.1.4. Market environment

According to Hatten, a "narrow perception of the environment by management can easily result in the not-for-profit organization losing its relevance to its community, and, in the process, alienating both its consumer and donor constituencies" (1982: 98) (cf 3.1.4). Many nonprofit organizations are dependent on government financing and regulation, so any changes in this area of the external environment will have a direct bearing on the continued functioning of the nonprofit organization. For example, to meet the expenditure which is not covered by government funding, South African universities need to increase their tuition fees. Similarly, demographic changes could result in a university being faced with a falling student population, while technological development may offer both opportunities or threats to the continued efficient functioning of the university (Hatten, 1982: 98-99).

4.2.2.1.5. Consumer market

The consumer behaviour of individuals and families seeking the satisfaction of their wants also requires to be understood by nonprofit organizations (cf 3.1.5). "We want to understand how consumers make choices among health,

educational, recreational, social, and other services they may need or want" (Kotler, 1982: 236). These choices are determined by an individual's personal motivation, perception, learning and attitudes (cf 3.1.5.1.), as well the social class and cultural group to which he belongs (cf 3.1.5.2). Similarly, the information-gathering and the decision processes of the consumer are as important for the nonprofit organization as they are for the business firm (cf 3.1.6), and, therefore, should form part of the nonprofit organization's analysis of the consumer market (Kotler, 1982: 236-246).

4.2.2.2. Market segmentation

It is often difficult for nonprofit organizations to view their constituent customers in terms of their needs, perceptions or preferences (cf 3.2.1). The nonprofit organization may make the assumption that it knows what is good for its public, and, that it has "the technical competence to decide what services the public needs" (Pride and Ferrell, 1985: 647-649). At the same time, nonprofit organizations are often hampered in developing segmentation strategies "as public pressure is insistent upon an attempt being made to reach the whole rather than any one particular segment which may offer substantial growth prospects" (Yorke, 1984: 19). For instance, a public expectation that university education should be available to everyone as a passport to successful career prospects, irrespective of fitness for tertiary instruction, would seriously impede the educational programmes of universities.

In keeping with its dual task of resource attraction and resource allocation, the nonprofit organization should develop a marketing strategy for the donor market as well as for the client market. A mass appeal (undifferentiated marketing - cf 3.2.3.1) to the donor market probably would yield a poor response, and a similar undifferentiated appeal to the client market would be unlikely to fulfill its real

needs (Stanton and Futrell, 1987: 518). The donor and client target markets are sometimes the same, as may be seen when a church appeals for donations from its members, who in turn will be the recipients of the services that are funded by their donations (Lusch and Lusch, 1987: 622).

Like business enterprises, nonprofit organizations segment their markets according to geographic, demographic and psychographic criteria (Stanton and Futrell, 1987: 518-519). The fundamental basis for segmenting the donor market is to have a donor (present and potential) segment and a non-donor segment. This approach is often used by universities (Bush and Houston, 1985: 871). A finer segmentation of the donor market would take their particular needs into consideration (cf 3.1.5.1.1). For example, appeals to donors could be segmented by money (e.g. in the US blood donors receive payment), by group influence (e.g. peer group pressure is often used in US anti-drug programmes), by family and social responsibilities (e.g. those parents who serve on school committees), by altruism (e.g. SA donors who give blood voluntarily), or, by fringe benefits (e.g. those individuals whose donation entitles them to a day off work). (Assall, 1985: 736). Similarly, segmentation of the client market by demographic variables (e.g. age, income, education, occupation), geographic variables (e.g. country districts versus urban areas), psychographic variables (e.g. lifestyle, personality), and behaviouristic variables (e.g. benefits sought, brand loyalty) are also relevant to nonprofit organizations (Lusch and Lusch, 1987: 623). A university could distinguish between its students (present and potential), alumni, parents, and the general public. In South Africa even further segmentation can be undertaken by segmenting potential students from the townships according to their income, educational standards, geographical residence and need for education (i.e. benefit sought) (Pride and Ferrell, 1985: 649; Stanton and Futrell, 1987: 519).

4.2.2.3. Market positioning

If they want to meet the needs of their clients and donor groups successfully, nonprofit organizations must position their products and services in the same way as business companies (cf 3.2.2). For example, a performing arts company competes with the entire spectrum of the leisure market (such as television, sport, pop festivals, etc.), while a university competes with other higher educational institutions and professional associations such as societies of chartered accountants (Assall, 1985: 736-737; Hatten, 1982: 96).

4.2.2.4. The marketing mix

The nonprofit organization uses the marketing mix strategy of product, price, place and promotion in the same way as does the business enterprise (cf 3.3), to limit alternatives and direct the organizational effort towards achieving the goals of the organization (Pride and Ferrell, 1985: 649).

4.2.2.4.1. Product

Kotler and Levy maintain, it was noted above (cf 4.1), that marketing goes "considerably beyond the selling of toothpaste, soap and steel" (1969: 10), and, that the product extends to intangible services, persons and social ideas (1969: 12). Therefore, the nonprofit organization should determine the essential nature of its business and, in particular, the nature of the product offered to its clients (cf 3.3.1.1) (Stanton and Futrell, 1987: 520). It is often difficult for the nonprofit organization to define its product, especially when it is an intangible idea or service. If the definition of its product offering is too narrow, it can mean that it misses a considerable part of its potential market. For example, if a church defines its product as only offering religious worship, it can fail to extend its product offering to include other services such as marriage counselling (Pride and Ferrell, 1985: 651-652).

Product mix strategies are also relevant for nonprofit organizations. The product line of a city orchestra could be lengthened (cf 3.3.1.6) by offering popular concerts for teenagers, or, special performances for the aged. Similarly, a university may lengthen its product mix by offering adult education courses or by introducing a part-time degree programme (Stanton and Futrell, 1987: 520). A product portfolio analysis would enable the university to identify those services that are 'problem children' and, therefore, necessitate elimination in favour of the 'stars' and the 'cash cows' (cf 3.1.3) (Bush and Houston, 1985: 873).

4.2.2.4.2. Price

Nonprofit organizations such as hospitals and universities, usually adopt traditional pricing strategies (cf 3.3.2.5), although they tend to set their fees on a partial cost-recovery basis. However, often the price for the service offered by the nonprofit organization does not have a monetary value. Rather, the price is in the form of an opportunity cost, which is described by Pride and Ferrell as "the value of the benefit that is given up by selecting one alternative rather than another" (1985: 653). For example, the cost to the client could entail a change in behaviour (e.g. giving up smoking), sacrificing time (e.g. travel or waiting time), suffering psychic costs (e.g. frustration, tension), or, making a personal effort (Bush and Houston, 1985: 873-874; Lusch and Lusch, 1987: 629-630; Stanton and Futrell, 1987: 522).

4.2.2.4.3. Distribution (place)

The distribution channels of nonprofit organizations tend to be short as these organizations usually provide their products and services direct to their clients (cf 3.3.3.1). There is consequently little need for marketing intermediaries (cf 3.3.3.3). However, some nonprofit organizations do use intermediaries, for example agencies to sell entrance

tickets on their behalf (Stanton and Futrell, 1987: 523; Lusch and Lusch, 1987: 627; Assall, 1985: 739). The main purpose of a nonprofit distribution service is that it should be convenient, accessible and available. Location is pertinent in the provision of a convenient and available service, particularly for nonprofit organizations such as hospitals and universities (Bush and Houston, 1985: 875; Pride and Ferrell, 1985: 653; Stanton and Futrell, 1987: 525).

4.2.2.4.4. Promotion

The element of the marketing mix most often adopted by nonprofit organizations is the promotional mix (cf 3.3.4.3). (Bush and Houston, 1985: 875; Stanton and Futrell, 1987: 525).

Donor markets are sometimes reached through advertising (cf 3.3.4.3.2) in the mass media (such as newspapers and broadcasting), but direct mailing tends to be more effective. Client markets may similarly be promoted through mass media advertising such as a university that advertises its educational programmes in the local press (Stanton and Futrell, 1987: 525-526). Advertising is however an expensive form of promotion and may not easily be afforded by the nonprofit organization (Lusch and Lusch, 1987: 628).

Nonprofit organizations often use personal selling to reach their donor and client markets, although their salespersons are not usually known by this appellation (cf 3.3.4.3.1). Rather, they may be referred to as, for example, missionaries, counsellors or fundraisers. The same considerations as to motivation and direction that business companies give to their salespersons should be given by nonprofit organization, especially as many of their contact people are volunteers who donate their time and skills (Stanton and Futrell, 1987: 527; Lusch and Lusch, 1987: 629; Assall, 1985: 738).

Sales promotion (cf 3.3.4.3.3) which may take the form of exhibitions, posters or donation boxes, are valuable promotional tools for nonprofit organizations (Bush and Houston, 1985: 876; Stanton and Futrell, 1987: 527).

Public relations (3.3.4.3.4) is a particularly important activity for nonprofit organizations as it may enable them to reach such publics as the government and the general community (Assall, 1985: 739).

4.2.2.5. Conclusion

Kotler concludes, writing more than a decade ago, that:

Marketing will lead [the nonprofit organization] to a better understanding of the needs of different client segments; to a more careful shaping and launching of new services; to a pruning of weak services; to more effective methods of delivering services; to more flexible pricing approaches; and to higher levels of client satisfaction (1979: 44).

The adoption of strategic marketing planning is as relevant for nonprofit organizations as it is in the business world. Like a business enterprise, the nonprofit organization endeavours to satisfy a need in the market it is serving. Consequently, the nonprofit organization should undertake a situation analysis in the same way as a profit organization to identify possible threats to its continued existence, or, opportunities that could be developed. Similarly, a resource analysis is required to determine the potential strengths and weaknesses of the nonprofit organization, as well as an analysis of the marketing environment and the consumer market. Market segmentation could ensure that the nonprofit organization provides a service relevant to the needs of its market, and, the marketing mix in a like manner enables the nonprofit organization to direct its resources towards serving its market effectively.

4.3. MARKETING OF SERVICES

4.3.1. The problem of services marketing

A service is defined by Kotler as

any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product [emphasis added] (Kotler and Andreasen, 1987: 429).

In the First World, services form a substantial part of the modern economy. For example, in the United States consumer expenditure on consumer services grew from about 35 percent of the Gross National Product (GNP) by the end of the Second World War to almost half of the GNP during the 1980s. The industrial market has similarly become increasingly engaged in services (Bush and Houston, 1985: 850-851; Kotler and Andreasen, 1987: 428; Berry, 1980: 24; Regan, 1963: 58).

The government services of these First World economies form part of the service industry and include, for example, the police and defense, the courts, hospitals, postal and transportation services, educational institutions, and, in some countries certain broadcasting services. The service industry consists of both the consumer market and the industrial market and includes, for example, airlines services, financial and insurance institutions, accounting and managerial services, the hotel and travel industries, law firms, engineering services, medical and health services, property and household services, and film and television companies. Most nonprofit organizations are service-orientated and include museums, libraries, churches, charities and social welfare organizations, and, foundations and private educational facilities (Kotler and Andreasen, 1987: 428-429; Stanton and Futrell, 1987: 497; Bush and Houston, 1985: 850, table 25.1).

Various attempts have been made in the past to address the problem of services marketing. Regan first drew attention to

the emerging services revolution in the United States during the 1960s, which according to him had necessitated borrowing marketing techniques from the goods-orientated industry to be used in services marketing (1963: 57). In the years subsequent to Regan's article, however, the greater part of the debate between marketing theorists focused on the differences between tangible goods and intangible services. Berry states, uncompromisingly, that services "differ from goods in some important ways and these differences present special challenges to the services marketer" (1980: 28). Shostack (1977) tries to bridge the chasm that seems to divide writers on services marketing by proposing a 'molecular' model that would enable managers to determine on a continuum scale whether a market entity was either tangible-dominant or intangible-dominant (cf Figure 4.4). Gronroos (1978), however, maintains that services marketing requires a theory of its own, while Lovelock (1983) classifies services so that he can develop a model that will facilitate the marketing task.

It is not the purpose of the present study to enter into this controversial area of marketing theory, but rather to describe those aspects of services marketing that differ from (and possibly extend) our understanding of traditional goods-orientated marketing.

In her recent research study, Lewis-Thomson devotes a considerable part of her work to developing a theoretical model of the marketing process that accommodates the differences between intangible-dominant and tangible-dominant products (1988: 84-85). She points out that services marketing "is still regarded as a separate area of marketing ... [and] if marketing is to retain its internal consistency as a discipline, it will have to adapt to allow its application to diverse products" (1988: 80). After entering, according to Lewis-Thomson, "the hornet's nest of dissent on the question of whether goods and services are substantially different", the pragmatic approach offered by Gronroos is favoured, who

argues that a service may be described as such if it is offered by an organization which looks upon itself as a service business (1988: 27). Although Gronroos distances himself from a definition of services, in the view of Lewis-Thomson, he clearly "emphasizes the separation of services from goods in the marketing context" (1988: 28). In Gronroos' own words:

... [a product] offering concerns either goods, with or without service support (transport, maintenance, repair, etc.), or services, which may be pure services or services which make it possible to use goods or which are accompanied by goods (car rental, hotel, inclusive tours, etc.) (Gronroos, 1978: 590).

In the face of the distinction made between goods-orientated and service-orientated product offerings, Lewis-Thomson endorses the molecular model developed by Shostack because it "facilitates a structural definition of products based on the postulate that market entities are combinations of discrete elements, which can be tangible or intangible" [emphasis added] (1988: 35). Interestingly, both Shostack and Gronroos distinguish between goods and services largely on the basis of the degree of tangibility of the product offering, an approach that accords with Kotler's definition of a service as being "essentially intangible". It is therefore with this definition in mind that the characteristics of services as they influence marketing, are now examined.

4.3.2. Characteristics of services

4.3.2.1. Intangibility and managing evidence

From Kotler's definition, and those of Gronroos and Shostack, intangibility emerges as the dominant characteristic that distinguishes services from goods-orientated product offerings. Intangibility means that the consumer cannot see, taste, feel, hear or smell the product before it is purchased (Zeithaml, Parasuraman and Berry, 1985: 33; Bush and Houston, 1985: 851; Cowell, 1984: 23). "Although there

may be a lot of documents, physical equipment, machines or tools connected with the service, the service itself is physically intangible" (Gronroos, 1982: 31). The product only becomes a reality for the consumer as it is experienced (Stanton and Futrell, 1987: 499). For example, a play or film cannot be evaluated by the individual before it has been seen; or, the skill of a physician or psychiatrist cannot be known before the actual consultation has taken place (Kotler and Andreasen, 1987: 429).

The argument has been put forward by Wyckham, Fitzroy and Mandy that consumers "cannot distinguish among physically identical products like detergent and petrol,... estimate correctly the relative quality of fabric in clothing or woodworkmanship in furniture ..., [nor] discriminate among technically complex products such as electronic calculators and high-fidelity components" (1975: 61). According to their argument, the tangibility of many products does not permit meaningful examination, and, consequently, these products are selected by their reputation or on the advice from other consumers. Wyckham, Fitzroy and Mandy conclude therefore that the "intangible nature of services does not seem to create uniqueness in the marketing of services" (1975: 62).

It is however in the representation to the target market that the difference in marketing tangible-dominant (such as refrigerators, petrol, etc.) and intangible-dominant (such as medical care, a ballet performance, etc.) products is found. The reality of a physical product is enhanced by creating an image in the mind of the consumer rather than extolling its physical properties (Shostack, 1977: 77). For example, the South Africa radio advertisement for Nissan's one-ton trucks which was broadcasted during 1989 ended with the sound of a car door being slammed and a deep male voice saying: "Now that's what I call a hard body". The advertisement was not presenting the physical properties of the vehicle, but was rather promoting such abstract qualities as its durability and toughness, and, also suggesting an image

of masculinity associated with the ownership of such a vehicle.

In contrast to the promotion of physical products through abstract associations, it is necessary to enhance the reality of services for the consumer by providing tangible clues or evidence. For example, an airline ticket which has "little or no independent value" in itself, does help to confirm the reality of the service (Cowell, 1984: 228). Although these peripheral objects (such as notepads, pens, free airline meals, etc.) are the consumer's physical evidence that he or she have the use of the service, and these objects may even be valued as an addition to the core service, physical evidence must be of such a nature that it affirms the reality of the service. Such physical evidence may even, according to Cowell, "be considered as an element in its own right" (1984: 229). Examples of this can be found in the design and appearance of a hotel, the atmosphere of a banking hall, or, the condition of a rented vehicle. The reality for the consumer of the service, in the view of Shostack, is created "through a process of deduction, based on the total impression that the evidence creates" (1977: 78).

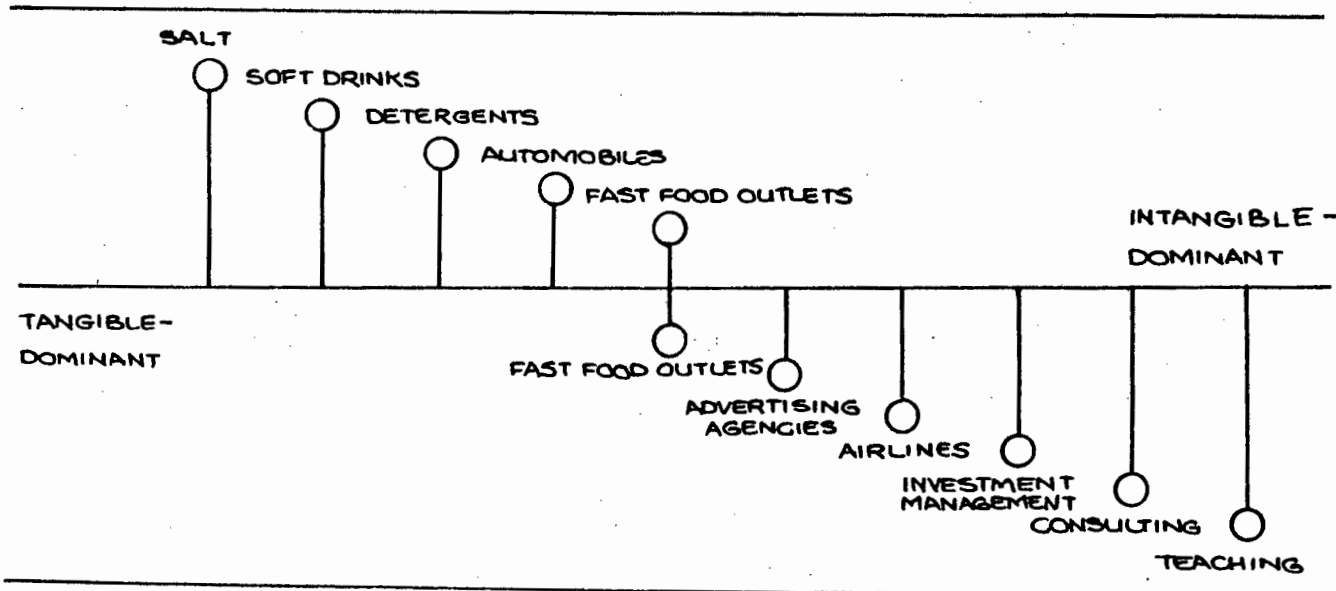


Figure 4.4: Tangible-intangible continuum model
(Shostack, 1977: 77)

Shostack shows that many business organizations exhibit in varying degrees both tangible and intangible elements in their product offerings (cf figure 4.4). Consequently, the representation of the product would include a mixture of both abstract and concrete evidence. The degree to which either or both are emphasized is directly related to their dominance (Shostack, 1977: 78). The marketing of the nationwide South African fast-food outlet, Wimpy, is a good example of a combination of concrete evidence and abstract representation. The main service element, i.e. the fast-food delivery, is made tangible for the customer through the creation of a bright, colourful and uniform decor and through standardized menus at all its outlets. Whereas, in its 1989 television and print media 'grababurger' advertising campaign, the physical food product that is offered at all Wimpy outlets is associated with a youthful and fun-filled lifestyle (i.e. abstract representation).

The same techniques and tools used in goods-orientated marketing are applicable to the marketing of services. In marketing goods, the physical product is usually presented in its own package, partly for protection and convenience, but also to help promote certain desirable qualities about the product. The colour, material, shape, printed text and brand name of the package must therefore harmonize to present the product to its best advantage (cf 3.3.3.1.2) (Pride and Ferrell, 1985: 164-165; Kotler, 1983: 264). Similarly, a favourable impression of the quality of a service can be created through the atmospherics of a place (cf 3.3.3.4). For example, a patient may receive a favourable impression of a medical service through the way the physician's consulting rooms have been furnished (Berry, 1980: 27; Shostack, 1977: 78).

4.3.2.2. Inseparability and customized service

Often the production and consumption of services (such as a haircut, etc.) are inseparable. As a consequence, according

to Gronroos, the consumer "certainly will be influenced by what happens in the simultaneous consumption and production process, and moreover, he will by his behaviour, have an impact on the production process" (1982: 32). For example, the customer receiving a haircut would most likely direct the hairdresser as to how the service should be executed, while, simultaneously, the customer would be influenced by the result of the haircut (Bush and Houston, 1985: 852; Berry, 1980: 26).

The influence of the customer can either be beneficial or detrimental to the service. For instance, queues in a bank could have an adverse affect on the quality of the service (Gronroos, 1982: 38). Similarly, favourable reports by customers on a restaurant's service ensure that it will continue to enjoy good patronage. It can therefore be argued that customers actively help to shape the outcome of a service product. Consequently, the "attitude of the consumers towards the service and towards the organization producing and marketing the service must from the very beginning be kept favourable and if the consumer happens to become disappointed, immediate action is called for" (Gronroos, 1978: 596).

Chase observes how the extent of customer contact (i.e. the physical presence of the customer in the service system) influences the quality of the service. In high customer-contact services such as hotels, restaurants, health centres, the customer has a greater influence on the production process. In a low customer-contact service such as those offered by a credit card company it is possible to decouple the technical component of the service from the customer's direct influence, thus ensuring a higher degree of quality control over the production procedures. However, with high customer-contact services "the worker's attitude, the environment of the facility, and the attitude of the customer will determine the ultimate quality of the service experience" (1978: 40).

Since production and consumption of service are usually integrated (Heskett, 1987: 119), the performance and appearance of the service contact personnel crucially influence the customer's perception of the service quality. "How service personnel conduct themselves, how they speak, even how they dress, all potentially shape the customer's perceptions of service quality" (Berry, Zeithaml and Parasuraman, 1985: 47). The service personnel therefore form a critical part of the customer's experience of the service, which necessitates that the closest attention should be given to the service personnel when designing the service organization's marketing strategy.

4.3.2.3. Heterogeneity and consistency of service

Services tend to be less standardized than physical products because as stated above they are so often closely associated with the source of their creation: viz., the production process and the act of consumption by the client are usually "simultaneous activities" (Gronroos, 1982: 31; cf also Zeithaml, Parasuraman and Berry, 1985: 33)). The quality may vary considerably from one service to another, and even the same service supplier cannot always assure consistent quality with each service delivery. The hairstyling of a favourite hairdresser may be preferred to that of any other hairdresser, but there is no guarantee that one will enjoy the same satisfaction each time one's hair is styled (Bush and Houston, 1985: 854; Stanton and Futrell, 1987: 499). Berry, Zeithaml and Parasuraman state that the "manner in which the service is performed can be a crucial component of the service from the consumer's point of view" (1985: 46).

It is easier to ensure that the tangible aspects of a service are of a consistent quality. Airlines, hotels and restaurants are good examples of service industries concerned with providing a consistent service. The width of the seat and the amount of leg room tends to be the same for all economy class seating; the furnishing for a two-star hotel

room is fairly consistent from one establishment to another (Wyckham, Fitzroy and Mandy, 1975: 60).

However, if the service offering fails to fulfill the expectations of the customer, he or she will respond negatively and probably fail to return. The consumer's perception of service quality is a balance of service expectation and service experience. The repeated use of the service is directly dependent on whether the customer's expectations are fulfilled by the service delivery (Berry, Zeithaml and Parasuraman, 1985: 46). The interaction between the customer and the service organization is consequently indispensable to the successful marketing of services. The relationship that exists between the customer and the organization is a fundamental concept in services marketing (cf 4.3.3).

4.3.2.4. Perishability and managing demand

Services that are not used perish, because it is not possible to store the occupation of an unused theatre or of an aeroplane seat, a missed medical appointment, an empty hairdresser's chair, or, a motor garage repair bay. Services perish in the absence of purchase (Bush and Houston, 1985: 854; Stanton and Futrell, 1987: 500).

Wyckham, Fitzroy and Mandy, however, have pointed out that perishability is a characteristic not unique to services, but also applies to goods (1975: 62). The lifespan of many physical goods such as agricultural produce and medicine is severely limited as the goods decay or become obsolete and result in a loss of sale for the wholesaler or retailer. At the same time, some services are capable of being stored for the future. For instance, the potential benefits held by an insurance company for a client may be regarded as a form of storage (Stanton and Futrell, 1987: 500). It can further be argued that the training of contact personnel and the development of communication facilities and technology to maximize services, are also a means of storing production to meet future demand (Wyckham, Fitzroy and Mandy, 1975: 62).

According to Lovelock, managing demand fluctuation is a marketing task, whether the product is a physical good or an intangible service. Demand fluctuation, however, is not the same for all services (cf figure 4.5). In addition, it is critical when managing demand fluctuation to determine whether there is sufficient capacity to meet peak demand. As illustrated in figure 4.5, the approach would be to encourage demand in off-peak periods for those services situated in Box 1, whereas the services represented in Box 4 would be adjusted in order to reduce demand to meet the available capacity (Lovelock, 1983: 17). The crucial challenge in marketing services, according to Berry, is "to find ways to better synchronize supply and demand as an alternative to recurring conditions of severe overdemand and underdemand" (1980: 28).

| | | DEMAND (FLUCTUATION OVER TIME) | |
|-----------------------------------|------|---|---|
| | | WIDE | NARROW |
| CAPACITY (CONSTRAIN OF SUPPLY) | HIGH | ¹ ELECTRICITY NATURAL GAS TELEPHONE HOSPITAL MATERNITY UNIT POLICE AND FIRE EMERGENCIES | ² INSURANCES LEGAL SERVICES BANKING LAUNDRY AND DRY CLEANING |
| | LOW | ⁴ ACCOUNTING AND TAX PREPARATION PASSENGER TRANSPORTATION HOTELS AND MOTELS RESTAURANTS THEATRES | ³ SERVICES SIMILAR TO THOSE IN 2 BUT WHICH HAVE INSUFFICIENT CAPACITY FOR THEIR BASE LEVEL OF BUSINESS |

Figure 4.5: Demand fluctuation of services
(Adapted from Lovelock, 1983: 17)

Demand can be managed through the traditional marketing strategies of price, promotion, place and product. For instance, differentiated pricing is used to encourage demand in off-peak periods, such as the half-price pre-dawn SAA flights between Johannesburg and Cape Town. The University

of Cape Town has for some time offered additional product lines, such as its Summer School programme, which has resulted in the use of normally unused facilities during the university vacation. The ubiquitous Automatic Teller Machines (ATMs) that are found in shopping malls are both an extension of traditional banking service hours as well as a means of providing convenient service locations to customers who require them (Kotler and Andreasen, 1987: 431; Berry, 1980: 28).

The capacity of the service organization can also be increased by using part-time employees during peak times, or by training regular staff to perform various tasks according to the demand. By inviting customer participation, services can sometimes be extended in spite of strained resources. For example, in a hospital patients may be encouraged to take care of themselves as soon as they are able to do so, thus freeing the nursing staff for critically-ill patients (Kotler and Andreasen, 1987: 431-432; Berry, 1980: 28).

4.3.2.5. The quality of a service

Berry, Zeithaml and Parasuraman undertook research among several service organizations to identify the main determinants of service quality which they listed as follows:

- * Reliability of performance and dependability of service delivery.
- * Responsiveness of the contact personnel to provide service.
- * Competence of service organization in terms of skills and knowledge to perform the service.
- * Access in terms of time, convenience, and place should be easy.
- * Courtesy (e.g. politeness, respect, consideration, and friendliness) of the contact personnel.
- * Communication regarding the service itself, its costs, and any problems that might arise should be at the level that the customer can understand.

- * Credibility of the service which involves developing trustworthiness, believability and honesty in the interaction with the customer.
- * Security in terms of physical safety, financial security and confidentiality.
- * Understanding of the customer's requirements and needs as an unique individual.
- * Tangibility of the service in terms of physical facilities and equipment, appearance of the personnel, and the physical evidence of the service provided (e.g. plastic credit card for credit service) (1985: 45-46).

The quality of a service, according to Gronroos, consists of three components: the technical quality, the functional quality, and the corporate image. The 'technical quality' of a service involves the technical acceptability of the service such as a satisfactory haircut, or, an excellent meal consumed in a restaurant. The 'functional quality' of the service involves the transfer of the technical quality to the consumer. For example, the milieu in which the haircut or meal takes place, and, the manner in which the service is provided, influences the consumer's perception of the service quality. Because of the intangible nature of service it is important that the 'corporate image' of the organization should also be satisfactory since, if the "image is unattractive, the customers may not even expose themselves to the marketing and operational activities of the firm". All quality components of the service are vital to the interactive marketing of the service firm (1982: 33).

Therefore, the challenge of service quality is to meet, and even to exceed, customer expectations. This requires a total commitment by all those concerned within the service organization to the concept of service quality (Berry, Zeithaml, Parasuraman, 1985: 52).

4.3.3. Developing interactive relational marketing

4.3.3.1. Internal marketing

In services that are people-based (such as hairdressing, legal firms, teaching, etc.) there is a tendency for intensive interactions to take place between the service provider and the customers (Bush and Houston, 1985: 853). Consequently, according to Berry (1980: 25), "the quality of the service is inseparable from the quality of the provider". This is a problem that is compounded by the difficulty that services experience in trying to provide a standard quality of service. Equipment-based services (e.g. ATMs) tend to be less subject to fluctuating service quality because the technical standards of mechanical equipment are easier to monitor and control than the quality of people-based services.

In people-based service organizations the employees are all directly responsible for customer satisfaction. The quality of a service depends largely on the employees' attitude towards the customers, irrespective of whether they do or do not have direct personal contact with them. It is claimed by Gummeson (1987: 10) that in traditional marketing personal contact with the customer is limited to the sales personnel of the marketing department. By contrast, according to Berry, Zeithaml and Parasuraman, in service organizations:

[the] customer contact personnel ... are intermediate customers of various support services that pertain to the services they themselves perform. If the quality of intermediate service is poor, the quality of service rendered the ultimate consumer is likely to suffer ... For many service companies, two sets of service quality customers must be satisfied. In addition to the ultimate customer - the [customer] contact person ... must be served. The consumer's perception of service quality depends on it (1982: 48).

In effect, everyone in the service organization is engaged in marketing tasks, not only the sales staff. Gronroos points to the important internal marketing task that faces

the service organization: "a service must first be successfully marketed to the personnel, so that the employees accept the service offering and thoroughly engage in performing their marketing duties" (1978: 594). The concept of internal marketing is concerned with upgrading the quality of an organization's service by satisfying the needs of its own employees (Berry, 1980: 26).

Service quality is directly related to the quality of interaction that takes place within the organization between the personnel engaged in their various tasks of production, marketing and delivery. The quality of service the customer contact personnel give the consumer is dependent in part on the support they receive from the operational personnel (Berry, Zeithaml and Parasuraman, 1982: 47). In the opinion of Gummeson, "the concept of the internal customer brings customer-supplier relationships inside the firm. It means that everybody should see himself as a customer of colleagues, receiving products, documents, messages, etc., from them, and that he should see himself as a supplier to other internal customers" (1987: 17). Therefore, to prepare the personnel for their contact with the external customer, internal marketing stresses the importance of developing the human resources of the service organization (1987: 18).

4.3.3.2. Interactive marketing

To manage the critical relationship between the customer and the service organization, Gronroos developed the interactive marketing concept (cf Figure 4.6). In his example of a transportation company, traditional marketing communication creates interest in the service. There is very little interaction between the customer and the firm at this stage, apart from public relations. During the purchase stage interaction increases between the customer and the sales personnel. It is however during the consumption stage of the service that the quality of the interaction between the customer and the firm determines whether there will any repeat

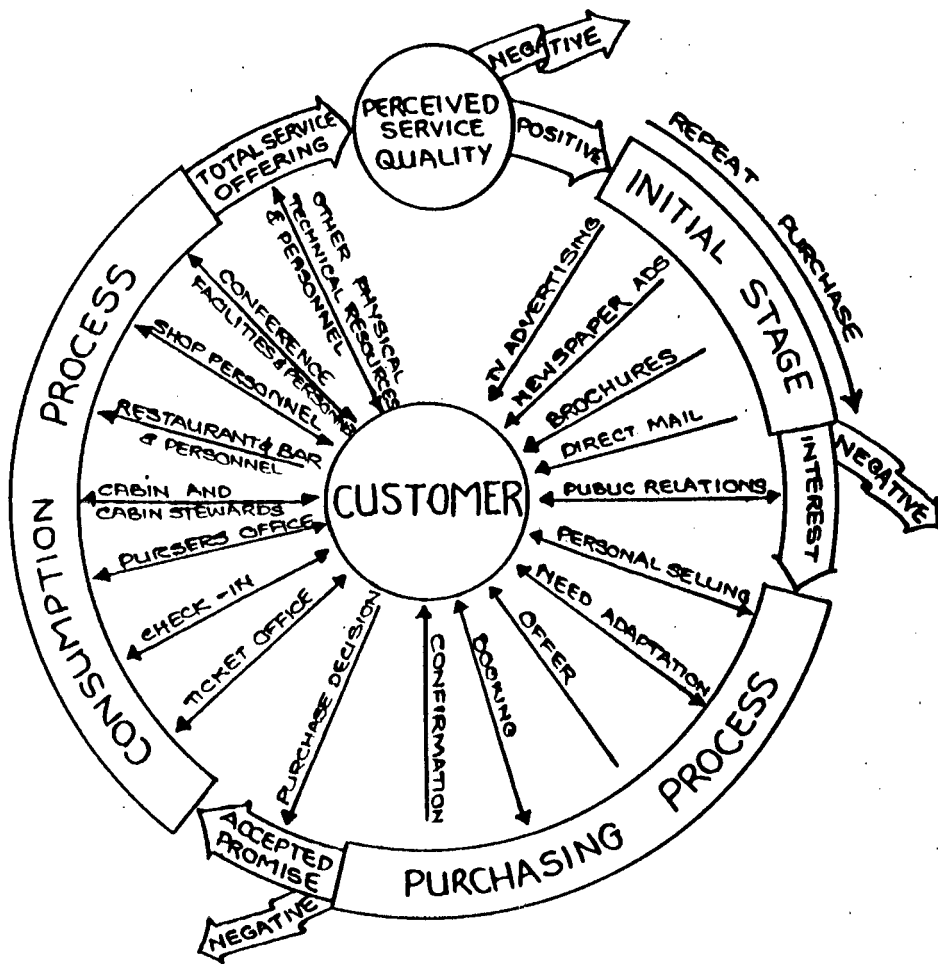


Figure 4.6: Interactive marketing concept model
(Gronroos, 1983: 17)

purchases and enduring customer contact. The successful consumption of the service will be determined by how customer-orientated and competent the contact personnel are, and, whether their performance fulfills the expectation of the customer. At the same time, the nature of the customer's interaction with the physical resources of the organization (e.g. the conference facilities, the restaurant milieu, the computerized facilities, etc.) should further enhance the customer's perception of the service quality (Gronroos, 1983: 10-11; cf also 1979: 48-49). Gronroos concludes: "traditional marketing activities cannot do much more than create interest and give promises in such a manner that they are accepted. The activities and resources of the interactive

marketing function do, however, influence the perceived service quality and, therefore, the long run consumption behavior of the market" (1983: 12). The effort of interactive marketing, therefore, is directed towards the skillful handling of relationships with customers.

Based on his initial analysis of the interactive relationships of service organizations, Gummesson (1987: 14) divides them into the following elements:

- * the interaction between the consumer and the contact personnel (e.g. patient and doctor);
- * the interaction between the consumer and the systems, machinery and routines of the service organization (e.g. computerized accounts system of a bank service);
- * the interaction between the consumer and the service organization's physical environment (e.g. decor and furnishings of a restaurant);
- * the interaction among the consumers who together produce and consume the service provided by the organization (e.g. a dance studio, a concert audience)

According to Gronroos, "The interactive marketing function means that the marketing consequences of buyer-seller interactions are considered" (1979: 50). The quality of service is dependent on the effort made on both sides of the service relationship, by the customer and by all the resources of the organization. Interactive marketing, therefore, involves managing the interactive relationship between the contact personnel, the physical environment (or, according to Gronroos (1982: 35) the physical/technical resources), and the customers of a service organization (Gummesson, 1987: 14).

To accommodate and manage the complex interactive relationship between the consumer and the service organization, Booms and Bitner (1981: 48,50) propose adding a further

three "Ps" to the traditional "four Ps" of the marketing mix, viz.: participants, physical evidence, and the process of service delivery.

'Participants' (or people) are a singularly vital marketing mix variable since customer perception of service quality is determined by the interaction of all the human actors - personnel and customers - involved in the service delivery. Particular attention must therefore be given to the discretion and commitment of the personnel, their personal appearance, as well as their attitude and behaviour towards customers. The behaviour of the customers and the degree of their involvement with one another during the consumption of the service also requires attention. Gunnesson emphasizes that in services marketing "Relationships and interactions are of central importance" (1987: 12).

The 'physical evidence' is an essential marketing mix variable because it facilitates communication and product interaction between the service organization and the customer. In particular, attention should be given to such aspects as furnishings, colour, layout and noise level of the physical environment, as well as all tangible elements that contribute to the communication of the service. Berry, Zeithaml and Parasuraman note that tangible elements include "the appearance of the service providers, devices or equipment used in performing the service, account statements, and the firm's logo" (1985: 50).

The 'process of service delivery' ensures that the policies and procedures, mechanism and activities of the service organization deliver the service according to the consumer's expectations. "The manager of a service organization should understand that all of the firm's activities - operations, sales, billing, purchasing, even accounting and finance - are carried on for the sole purpose of satisfying customers" (Bessom and Jackson, 1975: 76).

4.3.4. Conclusion

It has been shown that although there are significant differences between goods marketing and services marketing, it is possible to place many goods and services on a continuum that moves from intangibility to tangibility. Furthermore, services and goods are to some extent similar, and, therefore, can be marketed in the same way. Traditional marketing functions are applicable for both goods and services, particularly during the initial promotional stage when interest in the product is being created, and even during the purchase stage (Gronroos, 1982: 39-40). For example, market opportunities and environmental threats are similarly identified (Bush and Houston, 1985: 857), and markets are similarly segmented according to social and individual determinants of behaviour (Stanton and Futrell, 1987: 502). Bush and Houston, therefore, conclude that marketing "is as relevant to service as it is to products. However, the characteristics of services may call for different considerations when applying the strategic planning process to a service" (1985: 855). In particular, the intangible nature of the core service offering demands tangible evidence; the heterogeneous nature of service quality requires consistency; and, the interactive influence of customers and service personnel on the quality of the service needs should be controlled and managed. Consequently, the marketing mix variables of participants, physical evidence and the delivery process form a vital part of the marketing strategy for service organizations.

Chapter 5

THE MARKETING OF LIBRARIES

5.1. THE MARKETING CONCEPT IN LIBRARIES

Librarians have traditionally viewed the "library as an end in itself", concentrating their professional skills "on books, journals, and the niceties of cataloging, not on the people served" (Drake, 1977: 182). The organizational effort of the library, according to Van Dalsen, has been directed towards the development and improvement of information systems, better buildings and larger parking areas (1989: 172). It has been the underlying assumption that the professional librarian has the authority to determine without consultation what the library's users really require (Wood and Young, 1988: 3). The focus has been on convincing the users that the products and services offered by the library are worth using (Van Dalsen, 1989: 173; Wood and Young, 1988: 4). Ultimately this product approach has failed to win repeat business and library services are faced with the threat of becoming under-utilized and unused (Cronin, 1985: 115; Van Dalsen, 1989: 173). Lewis-Thomson, however, notes a paradigm shift in librarianship, as reflected in the professional literature, away "from a product to a marketing orientation" approach (1988: 111).

At the beginning of the 1980s Oldman expresses the opinion that the discipline of marketing would assist librarians to diagnose and find remedies for their under-utilized information services. In the view of Oldman, the user-orientated approach of marketing constrains librarians to understand "the context in which information is sought" rather than being concerned only with books and periodicals as the product of the library (1981: 47). During the same period Condoes urges libraries to "become increasingly involved with client satisfaction" (1983: 416). Edinger makes a similar appeal and urges librarians to adopt the marketing concept

which should enable them to "reach more potential users, encourage use of the library's resources, and work toward becoming an indispensable source of information for the community" (1980: 329). Esteve-Coll in the same way maintains that the marketing concept of seeking to satisfy the customer's needs is highly compatible with the emphasis of the philosophy of librarianship on the importance of user satisfaction (1985: 3). More recently Pienaar likewise asserts that the consumer-orientated approach of the marketing concept enables university libraries, threatened by an unfavourable financial climate, to strive for user satisfaction by understanding what the market needs and delivering those products and services that will satisfy these identified needs. In an academic environment, for example, the library's marketing strategy can be directed towards facilitating the student's adaptation to the demands of learning (1988: 216-217).

The "responsive organization", according to the marketing theorist, Philip Kotler, makes "every effort to sense, serve, and satisfy the needs and wants of its clients and publics within the constraints of its budget" (1982: 33). This understanding of the marketing concept seems to have found favour with some librarians during the period under review. For instance, Shapiro characterizes the marketing attitude as being responsive to the "information gathering and processing needs" of library users (1980: 470), and therefore, in his opinion, the responsive library shows "a keen interest in learning about the needs, perceptions, preferences, and relative satisfaction of its constituents" (1980: 471). Zachert and Williams, similarly, recognize that the key to marketing success is "responsiveness to client needs and demands", and consequently, the responsive library must "wholeheartedly [accept] these needs and demands ... in the design and delivery of [its] products or services" (1986: 61). A similar conviction is expressed by Bellardo and Waldhart concerning academic librarians who desire "to make the library more responsive to user needs and wants

.... [They] would do well to look outside the profession of librarianship for methods developed by other disciplines ... One such area of knowledge, of increasing interest to academic libraries, is that of marketing" [emphasis added] (1977: 181).

In his article on the marketing of academic libraries, Ewing (1984: 17-19) emphasizes the inherent information needs and wants of researchers, teachers, students and administrators whom the university library serves. The marketing concept focuses the total resources of the academic library (i.e. the integrated organizational effort) on identifying and satisfying the information needs of its constituency. This requires a considerable "attitudinal change on the part of the library staff, a change reflecting the service orientation of the library" (1984: 18). Leerburger likewise argues that the marketing concept requires "commitment from every staff member" (1982: 7). Ewing points out that the marketing concept challenges academic librarians to anticipate and respond to any need expressed by the market. It also offers "the opportunity for direct and continuous dialogue between library and information workers on the one side and the constituency and parent organization on the other" (1984: 19). The needs of the library user are therefore of cardinal importance and central to the marketing concept (Van Dalsen, 1989: 173).

5.2. STRATEGIC MARKETING PLANNING FOR LIBRARIES

The marketing concept, it has been noted (cf. 1.4.2), directs the managerial effort towards creating, building and maintaining a value that will both satisfy the needs of the target market and achieve the organization's objectives. To achieve this, an examination of the marketing literature shows that the first step in the marketing planning process is the analysis of market opportunities and threats (cf. 3.1). This task requires an assessment of the marketing environment in terms of the politico-legal, economic,

socio-cultural, demographic and technological variables (cf 3.1.4); and organizational resource analysis (cf 3.1.2); and, an analysis of the behaviour and characteristics of the consumer market (cf 3.1.5). This analysis of marketing opportunities is followed by the selection of target markets (cf 3.2) and the development of the marketing mix (cf 3.3).

A survey of the current literature of librarianship reveals that marketing has been adopted by many librarians, although individual approaches do vary.

5.2.1. The environmental analysis of libraries

To implement marketing in libraries, Edinger (1980: 329-330), and, Condous (1983: 409-410), writing at the beginning of the decade, describe what they term the marketing audit. According to them, the marketing audit requires the following steps to be undertaken. Firstly, the market (i.e. the clientele) and its needs and characteristics should be identified; and secondly, the library's objectives and its resources should be assessed. Condous specifically refers to Kotler's market programme, firstly, with its emphasis on a market analysis of the library users and their needs; secondly, the resource analysis of the strengths and weaknesses of the library as well as the identification of environmental opportunities; thirdly, the mission analysis which determines the nature of the library's business, its constituent customers and their needs, as well as the market segments on which to focus, identification of the competition, and the market position to be adopted by the library (1983: 410). This interpretation by Condous of the mission analysis seems, however, to belong more with the selection of target market than it does with the identification of market opportunities.

The marketing environmental analysis, according to both Pienaar (1988: 217) and Terblanche (1989: 182), consists of three components: (a) the macro-environment, representing

technological, financial/economic, political, and competitive environmental variables; (b) the market environment comprising the actual and potential users with their diverse needs (and identified by means of market segmentation); and, (c) the micro-environment, representing the library's financial and human resources, its activities, and its objectives (which are all analyzed in terms of the environmental opportunities and threats, and measured against the strength and weaknesses of the library).

According to Wood and Young, "given a commitment to serving its clientele in the best possible manner, a library must begin its marketing effort with an opportunity analysis". The opportunity analysis involves undertaking an audit of the environment in which the library operates, as well as an examination of the library's own strengths and weaknesses. They divide the environmental audit into four components: (a) identification of the various publics of the library (users, staff, governing organizations, etc); (b) examination of unmet user needs; (c) recognition of constraints and threats in the environment; and, (d) analysis of the structure of the library market. The environmental audit is then followed by an organizational audit, which requires looking at the library's strengths and weaknesses in terms of its financial, technological and human resources. Additionally, the strengths and weaknesses of the library are considered from the competitive position which it has adopted (1988: 19,39,41).

5.2.1.1. Identification of opportunities and threats for libraries

Smith asserts that the Ansoff product-market matrix (cf 3.1.1.2 and figure 3.1) is a "useful way" for the library to look at its marketing opportunities or threats (1983: 17). Wood and Young concur that the product-market matrix offers the library an opportunity for growth (1988: 149,155). The library should endeavour only to identify those opportunities

"in which the library is likely to have a particular advantage, arising from the library's particular strengths - its 'distinctive competence'" (Smith, 1983: 17). The product-market matrix enables the library to identify the appropriate marketing strategy it should adopt concerning the opportunities or threats that it faces. For example, a university library adopting a market penetration strategy (cf figure 3.1) would retain its present reference service, but seek to attract greater use of the service by means of additional promotional efforts. This particular strategy could be an endeavour by the library to counter the possible threat of a declining reference service. A market development strategy could imply that the reference service be extended, for example, to the university administrative staff by assigning a reference librarian specifically to serve them. Extending the reference service to include online searching would be a product development strategy resulting from the exploitation of newly-available information technology. A diversification marketing strategy could involve offering packaged information, such as selected articles and summaries of relevant data, to the business community - a new service developed for a new market. This particular marketing strategy would be taking advantage of a market opportunity (Smith, 1983: 17-18; Wood and Young, 1988: 150-154).

5.2.1.2. The marketing environment of the library

Harwood, Jenkins and Person state that

The rapidly changing present makes it difficult for library administrators to identify the needs and desires of potential and future library users and to provide library collections, programs, and services suited both for present and for anticipated needs. (1984: 107).

Van Niekerk points out that the library's operations and services are influenced by environmental factors outside its control (1985a: 19,40). Both Terblanche (1989: 182), and, Wood and Young (1988: 30) have emphasized the importance of

taking into account the influence of environmental constraints on the library and its services.

For the university library these outside environmental factors could include cuts in government funding to the university; changes in the allocation of research grants such as placing a greater emphasis on the sciences than on the arts; new trends in the enrollment and composition of the student body; alternative curriculum directions and research interests; and even changed values in society (Harwood, Jenkins and Person, 1984: 107; Wood and Young, 1988: 22).

5.2.1.2.1 The economic environment of the library

The librarian of the 1980s was all too familiar with the financial constraints that characterized the management of libraries in contrast to the affluent 1960s. Inflationary trends and rising costs affected periodical subscriptions, binding and preservation programmes, building maintenance, even the budget for stationery (Wood and Young, 1988: 31). It is against the background of a threatening fiscal environment in South Africa that Pienaar argues in favour of university library services adopting marketing principles. He points to the government's reduced financial support for the universities and the international economic sanctions imposed against South Africa, as examples of uncontrolled environmental variables adversely influencing the services of the university library (1988: 217).

5.2.1.2.2. Politico-legal environment of libraries

The legal constraints on a library's activities arise from the necessity of complying with the laws of the land and to give adherence, for instance, to the fair use of copyright materials (Wood and Young, 1988: 31). Censorship remains a controversial issue amongst librarians in South Africa (SAILIS takes a stand ..., 1987: 1; Van Rensburg, 1989, 407),

although the tendency has been for the profession "to accommodate the ever increasing number of restriction on the availability of publications rather than oppose them" (Censorship..., 1987: 1). A librarian may have professional reservations concerning the country's censorship laws, but the extent to which these laws can openly be ignored and defied in the interest of the user remains, in practical terms, limited.

5.2.1.2.3. Socio-political environment of libraries

The socio-political issues of the day often cannot be ignored when managing library services. However, Wood and Young's (1988: 32-33) reference to the North American socio-political environment with its local political concerns and changing lifestyles may seem to be less critical to the South African librarian who is faced with the rapidly changing social and political environment of his own country.

At the 1986 Annual Conference of the South African Institute of Librarianship and Information Science (SAILIS) a motion was passed that called for:

the preparation of a document containing motivated proposals relating to the role of libraries and information services in the promotion of social, economic, and political development in South Africa ... (Zaaiman, 1988: 1).

Following the conference motion, a research project was undertaken by the Department of Library and Information Science of the University of South Africa (Libraries and development in SA, 1987: 1) and published as The use of libraries for the development of South Africa (Zaaiman, 1988). The preliminary draft of this report was discussed at the 1987 Annual Conference of SAILIS. A motion was then accepted that requested "library and information services in their regions to hold staff think tanks on the report". An additional motion proposed that "all libraries, in co-operation with other information providing agencies, conduct an analysis of the information needs of their respective communities"

(Libraries and development: a preliminary report ..., 1987: 2). In its conclusion the final report states that librarians "are faced with new, difficult and divergent challenges in serving the communities that need development". Consequently, in "this diversified situation long-term strategies are needed to guide librarians in marshalling their forces into positions of strength for future successes" (Zaaiman, 1988: 250). Such a strategic approach necessitates: a focus on excellence; a well-developed vision with regard to development; an effective marketing approach to capture a significant share of the information market; and the development of hidden strengths to maintain domination in the highly competitive information market (1988: 251-255). The report suggests that the challenge of development:

be seen as an opportunity to advance the value of libraries by running them according to the rigorous principles that apply in the larger and more demanding world outside library circles, where the worth of a service is judged only by its measurable contribution and where the rewards are commensurate with the success achieved [emphasis added] (1988: 257).

In South Africa, libraries are challenged by a rapidly changing socio-political environment to develop relevant products and services for those market segments they purport to be serving. For example, since the early 1980s, the resources of urban public libraries have been severely strained by a flood of young blacks seeking study materials which have not been provided by the library services purporting to serve the black educational institutions (Brooke-Norris, 1986). The socio-political threat to the resources of urban public libraries can at least partially be attributed to the demographic changes in the black urban population of South Africa. It has variously been estimated that by the year 2000 the urban black population will have risen to between fifteen and twenty million (Godsell, 1985: 6), and some estimates are as high as 30 million (Spies, 1985: 42). More than 50 percent of the black population are already urban dwellers with a notably young demographic

structure (Bekker and Lategan, 1988: 64). In 1980, according to the various estimates, between 41 and 54 percent of the black population was younger than twenty years of age, whereas only between 27 and 37 percent of the White population belonged to the same age group (Lucas, 1983: 153; Spies, 1985: 40). Taking into account this fast-developing Third World society Van Zijl notes: "To assist with this process of development, active attempts should be made to gain insight into the needs of blacks" (1987: 145). It is the recommendation of Bekker and Lategan "that community committees be established to advise on relevant materials, innovative ways of proceeding, particular skills required by librarians, and so on" (1988: 69). The changing socio-political environment in South Africa should be understood in terms of the needs of the users if the services offered are to be relevant.

5.2.1.2.4. Technological environment of libraries

Musiker observes in the mid-1980s that "it is really nothing short of a technical revolution to witness the extent to which the new technology has made its mark in South African libraries". He defines the new technology to include "computerized and electronic technology, which also embraces the field of information technology", and audio-visual technology (1985: 68). At the time he surveyed the extent to which libraries in South Africa had adopted the new technology, he found that 53 percent of libraries were using online information retrieval. However, only 10 percent were using videotex technology (1985: 71), whereas it was utilized in Britain by some 58 percent of mainly public libraries (Pienaar, Van Brakel and Boon, 1988: 100).

In university libraries the possible application of videotex may include its use as a communication medium between the user and the library, and, notably, as a useful device for establishing information needs by means of an online questionnaire (Pienaar, Van Brakel and Boon, 1988: 101).

However, failure to keep abreast of technological development may have the consequence that the university library's:

status function as purveyor of information on campus [is] gradually usurped by some other agency - [such as] a hole-in-the-wall departmental collection or the computer services center or a collection of instructional media and equipment (Wood and Young, 1988: 33).

The university library should therefore continually scan the technological environment for possible opportunities and threats. For instance, although videotex was not primarily developed for libraries and information service, this does not preclude its potential usefulness as a means of providing an improved and competitive information service (Pienaar, Van Brakel and Boon, 1988: 103; Terblanche, 1989: 182).

5.2.1.3. The organizational resources analysis of libraries

To utilize fully the marketing opportunities available to it, the university library should have the necessary internal organizational resources (cf 3.1.2). Such resources must therefore be analyzed to identify their potential strengths and weaknesses (Pienaar, 1988: 218; Edinger, 1980: 329).

These organizational resources are referred to by Cronin as "services, products, and facilities" which need to be examined "with a view to changing, refining, or expanding what is already in place" (1985: 116). Pienaar notes some of the library resources that need to be considered, such as the quality of its personnel, sufficient funds, effectiveness of services, and, marketing effectiveness in which he includes user satisfaction (1988: 218). Pienaar's inclusion of user satisfaction as part of the library's organizational resources is, however, somewhat confusing as user satisfaction is usually taken to be part of consumer analysis.

Wood and Young have included human resources, materials, and organizational structure and culture as the organizational

resources that require analysis. Under human resources they similarly consider issues such as numbers and quality of staff. Where the quality of the library staff is below the required standard, the library manager has the option of re-training staff, or, if necessary, gradually replacing them. Apart from book and serial collections, the library's services and facilities such as hours of opening, circulation, reference, interlibrary loans, equipment, etc., should all be scrutinized. Wood and Young also consider that the library's objectives can only be accomplished if they are supported by the appropriate organizational structure and culture. The organizational culture denotes the customs, beliefs, values and attitudes held by the staff, and is a function both of the formal organizational structure such as the hierarchical relationships, and the dynamic organization processes such as leadership, decision making and group interaction. Organizational culture can be assessed in terms of the communication, decision making and planning, evaluation, power control, etc., which takes place within the organization (1988: 40,92-93).

5.2.1.4. Strategic portfolio analysis

Wood and Young consider strategic portfolio analysis of such importance to the strategic marketing planning of libraries that they devote an entire chapter of their book, Strategic marketing for libraries to this concept. However, they do point out that the portfolio analysis concept "cannot be used to guide the operation of libraries without some modifications" (1988: 158). Certain measurements used in portfolio analysis are irrelevant to libraries. For example, in libraries the cash flow is insignificant and there is no common basis for the comparison of various products and services, such as cataloguing, interlibrary loans, circulation and reference. Furthermore, libraries often find it difficult to quantify the usage of certain library collections, or, the number of users who could have utilized a specific product such as the same book consulted in the library by various users (1988: 158-159).

According to Wood and Young (1988: 164), the portfolio model developed by Kotler (cf 4.2.2.1.3), which rates the quality (efficiency and effectiveness), centrality, and market attractiveness of an organization's products, uses criteria that are particularly relevant to the operation of libraries. Portfolio analysis, Wood and Young maintain, facilitates allocation of the university library's resources to those products and services that are best placed to achieve quality, market viability, and centrality to the library's mission (cf figure 5.1). But, concurrently, the allocation of resources to particular services should be considered

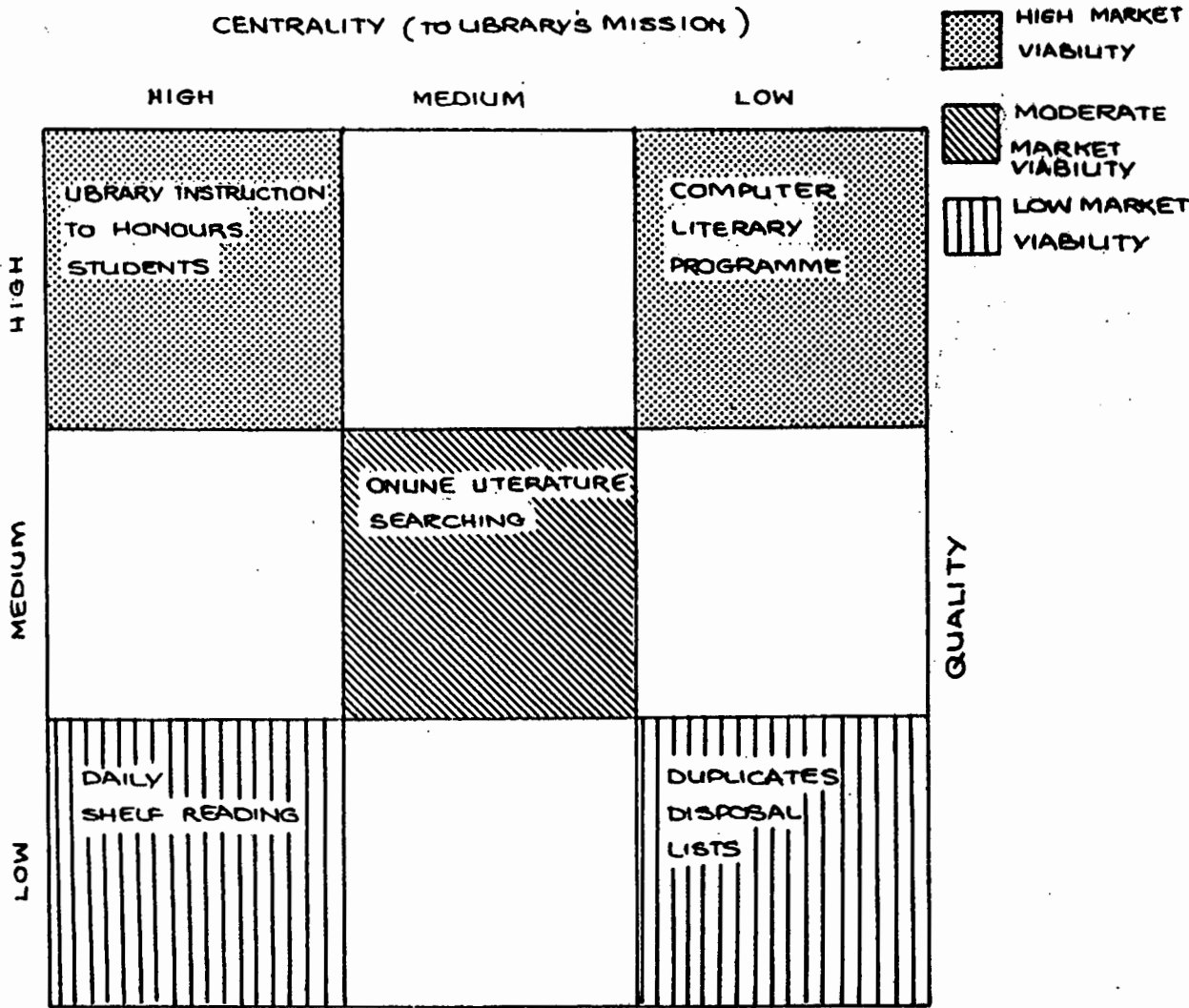


Figure 5.1: Academic library portfolio model
(Adapted from Wood and Young, 1988: 165)

in terms of opportunity loss for other services that do not receive any, or only minimal, resources; and, the effect on the library's service as a whole (Wood and Young, 1988: 168-169).

Accordingly, those services that are rated high in quality, centrality and market attractiveness require strategies such as improved product quality, reduced pricing, improved distribution and delivery, and increased promotion to increase market share. Similarly, products or services rated average in quality, market viability and centrality require a resource allocation strategy that would maintain, without attempting to increase, market share. For instance in figure 5.1, online searching programmes should still be maintained for the medium-term, but in the face of technological innovation (e.g. databases available on CD-ROM) long-term market growth of this service is unlikely. Some products (e.g. shelf-reading), however, may be rated low in quality and market attractiveness, yet remain central to the library's mission. They require a resource allocation strategy that would emphasize improved quality through additional training and motivation of staff. Finally, there are also products and services (e.g. the compilation and management of duplicate disposal lists) that are so low in quality, market attractiveness and centrality that they should be terminated rather than continue to utilize the library's resources (Wood and Young, 1988: 164-167).

Wood and Young conclude that portfolio analysis, although it "is an excellent analytical device, it is only a supplement to experienced insight and good judgement - not a replacement for them". Notwithstanding, portfolio analysis does provide a useful strategic "snapshot" of the library to present to the university's management (1988: 169).

5.2.1.5. The consumer analysis of libraries

There is a natural tendency for managers to make "too many assumptions" about the consumer, which consumer analysis

helps "to guard against" (Smith, 1983: 11). The task of consumer analysis (or market analysis), as noted in Chapter 3 (cf 3.1.5), is to understand what determines consumer behaviour: personal motivation (need), perception, learning and attitudes, and the influence of social, cultural and reference groups.

For the university library the market consist of those groups of actual and potential users (e.g. students, university staff, etc.) attached to the university. The purpose of the analysis is for the university library manager to gain an insight into their divergent needs, and their user-behaviour (Terblanche, 1989: 180,182; Pienaar, 1988: 217). If the assertion is accepted that anyone is a user "who has perceived an anomaly in his knowledge of the world, and is trying to find information to correct that anomaly", then most, "if not all, people are in fact users of information", and it could be proposed that "most people are thus also potential library users" [emphasis added] (Van Niekerk, 1985a: 20).

Before segmentation of the market into homogeneous target groups can take place, it is necessary "to identify and define the market ... in terms of shared features (e.g. social class; terminal educational age) or benefits being sought" (Cronin, 1985: 116). Additional shared features mentioned by Bellardo and Waldhart (1977: 186) include the status of the users (e.g. student or researcher), the nature of the information sought (e.g. short reference query or bibliography), the functional activity of the users (e.g. teaching or research), and the discipline orientation (e.g. arts, sciences, etc.).

In essence, consumer analysis in libraries is asking: who are the users, and for what purpose do they use the library? (Wood, 1984: 403). Cronin offers a number of typical questions that should elicit the sort of "detailed quantitative data" which Zachert and Williams (1986: 63) consider to be

an essential foundation for the library's marketing programme. The questions are concerned with the primary market(s) and the major market segments of the library; the users, actual and potential; the available socio-economic, demographic and psychographic data; the needs of the users (expressed and unexpressed), and the benefits they expect to derive from the library; the level of customer satisfaction, and the library's public image (1985: 116).

Smith asserts firmly that the concept of need is central to the business of libraries. However, he maintains that because "of the difficulty in deciding exactly what business the library is in ... real needs are seen to be indistinguishable from wants and demands" (1983: 11). He defines 'want' as the need the user wishes to satisfy. Library users often do not know what they want as they are unaware of their real needs. There are various psychological techniques such as word association for uncovering real needs, but Smith suggests that the simulation method of testing users' responses to a prototype service is perhaps the most suitable technique libraries could use to probe needs (cf 3.1.5.1.1) (1983: 11-12). In defining 'demand' as the activity under-taken to satisfy a want, Smith found Kotler's eight demand states (cf 3.1.7) to be particularly relevant to libraries. For instance, negative demand would be illustrated by a situation where the catalogue is so disliked by users that they avoid using it. Irregular demand is a familiar problem in public libraries where the intense demand on a Saturday could possibly be spread more evenly over the weekdays by providing extended evening hours of opening to accommodate working users. In a full demand situation - the desired "level towards which all marketing effort is directed" - libraries should develop objectives "to establish just what is full demand" (1983: 12-14).

Smith also draws attention to perceptions, preferences and satisfaction (cf 3.1.5.1.2 - 3.1.5.1.4). User surveys often highlight the discrepancy "between the librarian's and the

user's perceptions of what services are offered". Here marketing communication is required to change such erroneous perceptions. The responsive library should also understand the preferences of its users if it is to continue offering services relevant to the needs of the users. An understanding of why the user may prefer the services of another information agency is important when new products are planned, or a communication strategy is being worked out to reach potential users. As to satisfaction, user expectations of library service are often so low that users tend to express a high level of satisfaction with library services, even though their expressed needs have not been met (1983: 14-15).

Understanding the perceptions, preferences and needs of the emerging urban black communities in South Africa are the concern of all libraries. The South African library profession is called upon to play an important role "in diminishing differences in our society" by the "active marketing of libraries and information service" to meet the needs of these emerging urban communities (Van Zijl, 1987: 142). In fact, research reveals that urban black communities in South Africa require the most basic and practical information concerning work issues (e.g. jobs, skills training); housing (e.g. materials, building methods, finance, land tenure); health (e.g. clinics, water, sanitation); education (e.g. study facilities); transportation; and socio-economic problems (e.g. family breakdown, alcoholism, self-help opportunities) (Bekker and Lategan, 1988: 65-66). To meet the information needs of these urban communities requires an understanding of their preferences and information-seeking behaviour. Again research has revealed that the information needs of urban blacks have usually been satisfied outside the traditional library system, by means of word-of-mouth communication, through churches and women's groups, burial societies, trade unions (e.g. shop stewards) and newspapers (Bekker and Lategan, 1988: 66-67). These insights into the needs of emerging township communities concern mainly public

libraries. However, the lack of conventional library experience of many young township blacks does not augur well for South African university library services, and suggest that serious note should be taken of their divergent social and cultural needs.

Consumer analysis by a qualified marketing specialist can be a costly undertaking for both public and university libraries, so Bellardo and Waldhart suggest that in "some cases academic librarians may find that a relatively simple, straightforward analysis may suffice" (1977: 186). However, whatever the approach adopted, "each library must build up its own picture of its own customers and potential customers" (Smith, 1983: 16). University librarians, as do many business people, often rely on their 'gut' knowledge of their users when planning services. However, specific knowledge of their users, which is acquired through systematic consumer analysis, is essential if services "that best serve the needs" of the users (Massey, 1976: 181-182) are to be planned and designed in the future.

5.2.2. Selecting target markets for libraries

In the past librarians have felt it was wrong to differentiate between their users, and they have worked on a "principle of serving 100% of the population 100% of the time" (Condous, 1983: 409). However, as pointed out by Smith, libraries in reality are not able to serve all members of the community equally. Smith goes on to affirm: "Librarians must differentiate and carefully choose appropriate segments of each of their various markets if they are to have any kind of impact on those markets" (1983: 7). Zachert and Williams succinctly state the necessity for segmentation: "No organization can be successful by treating the entire marketplace as if it will show equal interest in the organization's products or services" (1986: 62).

Rather than adopt a mass marketing approach (cf 3.2.3.1), librarians should segment their market into smaller

homogeneous groups sharing similar needs (Bellardo and Waldhart, 1977: 186; Shapiro, 1980: 471). Medical libraries, for example, usually differentiate between five distinct segments in their market: doctors, nurses, hospital administrators, paramedics and technicians (Cronin, 1982: 384). Similarly, university libraries may segment their market into such homogeneous groups as academics, researchers, undergraduates and postgraduates, administrative staff, as well as outside users (Terblanche, 1989: 180). Wood and Young (1988: 50) argue that library resources are insufficient to serve every individual in the potential market. For example, university libraries may limited their facilities to certain groups of users such as allocating study carrels only to postgraduate students and researchers.

Van Niekerk (1985a: 21) has noted Halperin's three occasions when it is not appropriate to segment the market. Firstly, if no discernible differences among the market segments can be measured an undifferentiated service to "the greatest number of users" would be the most suitable marketing strategy to adopt. Secondly, the "difference among individual users" within a small special library could be so great that each person becomes "an individual segment". Thirdly, the public library's mission may prescribe that it cannot "ignore certain market segments in order to focus on others" (Halperin, 1981: 84-85). University libraries can find that they are in a similar situation and it is not appropriate to segment their market. However, librarians should take care not to revert to the 100 percent approach mentioned above when marketing their services. A closer scrutiny of the characteristics of their market would probably reveal distinctive homogenous groups.

It has already been noted in Chapter 3 that various criteria may be used for market segmentation (cf 3.2.1). Lewis-Thomson observes in her survey of the literature of librarianship that the "most commonly advocated segmentation strategy is by benefit sought" (1988: 138). Benefit analysis

(cf 3.2.1.9.2) tries to "understand exactly what a person hopes to get out of using a library and to design products accordingly" (Smith, 1983: 8). The user seeks certain benefits from the product or service. These benefits may include personal achievement, learning, convenience, rewards, etc. (Massey, 1976: 183; Wood and Young, 1988: 53). Van Niekerk suggests that a useful segmentation approach could be to identify the benefit sought in terms "of the information needed for positive task completion" (1985a: 22). This segmentation criterion adopts Blom's approach that information is required to fulfill successfully the user's task (cf 2.5.2.).

Geographical segmentation (cf. 3.2.1.1) alone is often not considered a useful predictor of consumer behaviour, although public libraries usually adopt this approach to distribute their services by means of branch and mobile libraries. Demographic variables (cf 3.2.1.2) such as age, income, occupation, ethnic and social class affiliation indicate significant differences among people and can help predict library user behaviour, particularly in South Africa with its divergent ethnic cultures. Volume segmentation (cf 3.2.1.9.4), which divides the consumer market into heavy, moderate and light users, has been applied to identify the so-called 'heavy half' of users who account for 80 percent of use. The 'heavy half' theory holds that only about one-half of consumers account for 80 percent of market consumption. However, volume segmentation fails to provide insight as to why users behave in the way they do (Massey, 1976: 182; Smith, 1983: 8; Wood and Young, 1988: 51). Wood and Young maintain that "need alone is not a predictor of use", and, consequently, "past use of the library is often more productive [in establishing patterns of usage] than segmentation by type of information need" (cf 3.2.1.9.5). They also point to the value of applying psychographic (lifestyle) segmentation (cf 3.2.1.8) to help identify "what activities potential patrons are substituting for library use" (1988: 53).

Sophisticated computer techniques are often used in commercial market analysis. Massey, however, suggests that "intuitive reasoning" can be used with success by librarians. He stresses the importance of isolating the "principal benefit" sought, although "other descriptive characteristics should be included" (Massey, 1976: 183). Smith is in agreement that it is "more effective" to use multiple segmentation (1983: 9), while Halperin sets the standard that all segments chosen must be measurable, accessible, and substantial (i.e. large enough to merit attention) (1981: 81). Smith comes to the conclusion: "Market segmentation is an important concept for the library manager, making it more likely that products will be available which parallel the needs of the market rather than emphasising some needs and completely ignoring others" (1983: 10).

Once the market is differentiated on the basis of one or several segmentation variables, the library service looks for the most advantageous position in the market to occupy in terms of its strength and weaknesses, its long range strategies, and particularly the strength of the competition (Cronin 1984a: 42) (cf 3.2.2). The CSIR Centre for Information Services recently repositioned itself in the market by offering an information service that includes both a general and personal profile current awareness service, retrospective searching, as well as a technical problem-solving service. The Centre has been able to offer this new product after evaluating the strength of its position in the market in terms of its human and material resources in the field of technical information (Bemarking van inligting, 1988: 15). Pienaar (1988: 219) similarly illustrates the application of the product position map in a university situation (cf figure 5.2). The advantage of this strategic marketing planning approach is that it enables the library to compete more effectively in the market. The marketing strategy aims to reposition the library service in relation to the competition by persuading the students to spend their free time less in passive entertainment and more in actively utilizing the library.

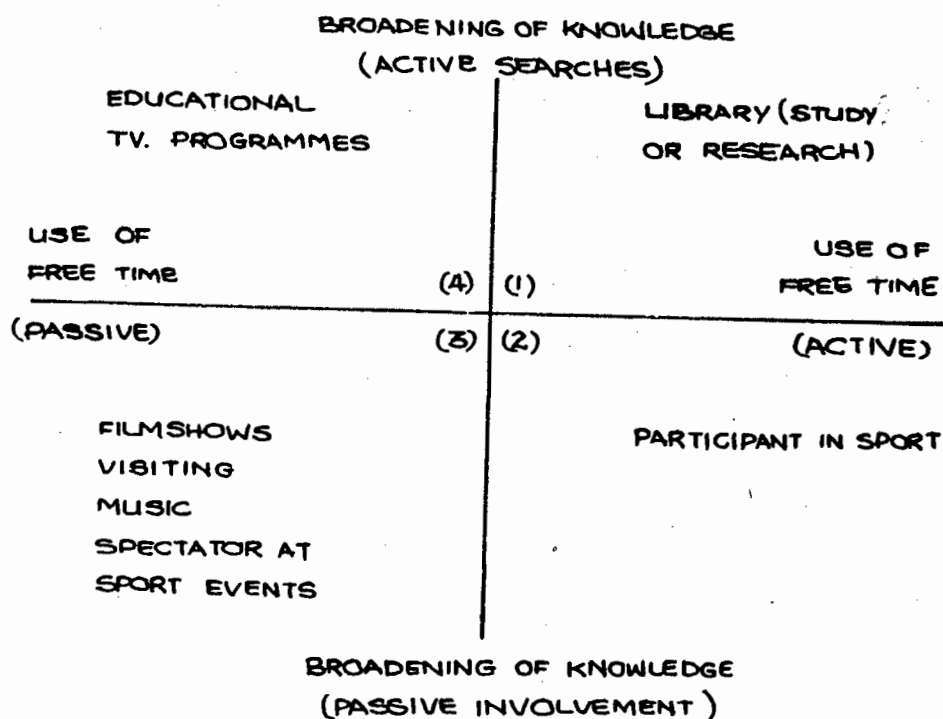


Figure 5.2: Market positioning for a university library
(Adapted from Pienaar, 1988: 219)

5.2.3. The library's marketing mix

5.2.3.1. The product of the library

5.2.3.1.1. The product concept of the library

In the context of librarianship Terblanche defines product as the delivery of all forms of library records and possible services (1989: 181). Wood and Young, however, state that "libraries are so much more than books", and accordingly differentiate, in terms of Kotler's product concept (cf 3.3.1.1), viz., a core product, a formal (tangible) product, and an augmented product (1988: 67). The product concept is a useful way of looking at the library product as it focuses on the benefit aspect of user satisfaction. If products exist to satisfy needs then clearly the book is merely the medium. As stated by Smith, we "should look for the purpose of the book, for the needs it is trying to satisfy, in order to say what the library's products really are" (1983: 29).

The concept of benefit, however, is not necessarily seen as the core product by all librarians. Van Niekerk, for instance, defines the core product as "the intangible message" (i.e. information), which in the spirit of Shera's philosophy may be described as "the driving force behind individuals and society" (1985a: 24). In her literature survey Van Dalsen also notes that the core product of the library is associated with information (1988: 176). Wood and Young (1988: 68), and Smith (1983: 30) similarly associate the core product with information, but in addition they include education and entertainment as core products. In support of her argument that the librarian as an information intermediary is the true product of the library, Van Dalsen (1988: 176) quotes Gee's statement, "We sell help".

Condous' article as quoted by Van Dalsen does not in fact endorse the concept of information as the core product of the library. Rather, Condous stresses that the library's problem-solving services should be the essential benefit for the user (1983: 412). Wood and Young (1988: 68), and Smith (1983: 30) similarly do mention the core product in terms of the benefit sought by the user, which they maintain can be both information and entertainment. Wood and Young further suggest that in a network of libraries the core product can be identified in a number of benefits, such as cost savings; space savings on smaller collections; shared technological expertise; and so on.

If the core product is the benefit sought by the user then the formal (tangible) product, according to Van Niekerk, is the recorded message, as found in the various media such as books, journal articles, etc., while services such as inter-library loans, current awareness and library orientation programmes augment the tangible product by making "the product more readily available to its users" (1985a: 43). Smith describes the tangible product as the physical entity or service characterized by certain attributes of quality, style, packaging and brand name (1983: 30). The Infopak product of

the CSIR Centre for Information Services (cf 5.3.2, last paragraph) is an excellent example of a formal product offered to industry (the target market) that is distinguished from similar products in the same market by its product attributes. The "totality of benefits" (Smith, 1983: 30) that the user experiences makes up the augmented product, and in the case of Infopak includes electronic databases, data communication technology and staff expertise (Bemarking van inligting, 1988: 15).

5.2.3.1.2. The product mix of the library

Both Wood and Young (1988: 69), and Condous (1983: 414) have argued that libraries usually offer a wide range of products, which in marketing terms is known as the product mix (cf 3.3.1.6). Wood and Young maintain that the width, breadth (length), depth, and consistency of the product mix would depend on whether the aim of the library is to serve a large number of market segments with the full range of products such as a university library, or only a single market segment such as a special library. A single product can also be offered to a single market segment such as information brokers who supply a limited range of services to a small, defined group of customers. The university library, typically, can limit the breadth of its interlibrary loan product mix by offering a service only to its postgraduate students and teaching staff. Similarly, the university library may decide to extend its product lines (width) to include online searching as a new service for researchers and postgraduate students (1988: 70).

5.2.3.1.3. The product life cycle of the library

According to Van Niekerk, librarians have for a long time shown in their weeding out-of-date material for which there is no longer any demand an awareness of the product life cycle (1985a: 25). In recent years librarians have come to acknowledge that the product life cycle concept of introduction,

growth, maturity and decline is as applicable to libraries as any other type of organization (cf Dragon 1979: 500; Smith, 1983: 31; Condous, 1983: 413; Cronin, 1981: 387-388; Cronin, 1985: 118; and Wood and Young, 1988: 69).

Cronin (1981: 387-388; 1985: 118)) suggests that the pattern of the product cycle can be traced in the development of the British public library movement from its early introduction in the 1850s, subsequent steady growth over the next century, maturation during the 1960s, and possible decline at the close of the twentieth century. In the same way, Smith points out that the book loans service of Bradford City Libraries underwent a product life cycle, starting with its introduction in the 1880s, followed by a rapid growth curve through to the 1930s, maturing thereafter over the next half-century, and now faced with the possibility of a decline to follow during the 1990s (1983: 32). It is suggested by Cronin, however, that we should think in terms of multiple life cycles, and therefore, "if there is to be a second growth period, the profession will have to identify new opportunities, new areas for colonization, new services, new delivery mechanisms and new products" (1985: 118).

Condous rightly emphasizes that each stage of the product life cycle should in fact be identified and accorded the appropriate marketing promotional techniques. For instance, it is the library's main task with a newly introduced service to bring it to the attention of the users. During the growth and maturity stages of the service "a library attendance habit" needs to be developed, and user interest maintained, through special promotional efforts. At the same time, Condous argues, any potential competition that may have arisen, particularly during the maturity stage, also requires to be assessed (1983: 413).

5.2.3.1.4. Product elimination in the library

Dragon has pointed out that there is a tendency for libraries to hang on to dying, weak products. Both Dragon,

(1979: 500) and Condous (1983: 414) argue that libraries should adopt a marketing strategy of eliminating those declining products for which there is no longer an acceptable demand (cf 3.3.1.6 and 3.3.1.7.4). Regular reviews of all product lines should be undertaken since no library service can afford to maintain several declining products or services. Therefore, Smith suggests that product elimination should be undertaken within the context of the long-term marketing strategy of the library service, notably "in relation to its mission and the needs of its users and potential users" (1983: 38).

5.2.3.1.5. Product modification in the library

The modification of a declining product is an alternative to elimination that should be considered (cf 3.3.1.8). Modification can take place on either the formal, core, or augmented levels of the product. However, any alteration to a product may be seen as the development of a new product, particularly if any changes are made to the core product (Smith, 1983: 38).

5.2.3.1.6. New product development in the library

Smith, however, does make the point that "library managers must spend less time on declining products and much more time on the products of the future" (1983: 34) (cf 3.3.1.9). The source of ideas for new products and services can come from either staff or users (Bellardo and Waldhart, 1977: 187), but care should be taken that idea generation is not a matter of luck or whimsy. New ideas can come from librarians themselves by means of, for example, brainstorming exercises. The latent needs of users may be identified by means of user surveys, suggestion boxes, and group discussions. Potential need could possibly be identified by watching what competitors are offering (Smith, 1983: 34-35).

All new ideas, however, must be screened in terms of the organizational objectives and resources, and within the

prevailing legal and financial constraints of the library (Smith, 1983: 35; Bellardo and Waldhart, 1977: 187). Those ideas that survive screening are at first conceptualized and then tested on a sample of potential users in terms of the benefits that it is thought may appeal to the market. The latter exercise usually generates a further refinement of the conceptualized product. At this stage the cost of developing the concept into a product should be evaluated in terms of the potential benefits for the users. Consideration may be given to allocating existing resources to the development of the new product. Once the concept has passed the economic evaluation stage, the product is developed in terms of staff requirements and training, material resources and promotion. It is advisable for the proto-type product to be market-tested on a small group of library users. During this final stage of the new product development, the full potential of user demand is usually established, the type of users who will use the product or service identified, and, any difficulties that may occur in the use of the new product highlighted (Smith, 1983: 35-36).

5.2.3.1.7. Product adoption by the library

In Chapter 3 it was noted how the new product may be gradually adopted by consumers: at first by the innovators and early adopters, then the early majority, followed by the late majority, and finally the laggards (cf 3.3.1.10). According to both Van Niekerk (1985a: 25-27) and Smith (1983: 32-33), product adoption is a useful concept for libraries when they introduce new products or services to their markets. Since the success of a new product very much depends on how quickly it is adopted by the innovators and the early adopters in the market, librarians should give careful consideration to the critical role played by the opinion leaders among their user communities, such as information gatekeepers, in diffusing information about new library products and services (Van Niekerk, 1985a: 27; Smith, 1983: 33).

5.2.3.2. Pricing the library's services

Price, as part of the marketing mix, is considered a controversial topic in the literature of librarianship (Bellardo and Waldhart, 1977: 187). In the opinion of Cronin (1984b: 51), pricing a public library service may bring home to the user the cost of it, but it could also inhibit the use of the service. Cronin maintains that there would be a fall-off of up to a 40 percent in borrowing levels if fees were charged. The attitude of many librarians concerning charging fees for library services may best be summed up at the end of the seventies by the American librarian, Dragon, that it "flies in the face of all that is decent in this country" (1979: 500).

The cost of technology has however caught up with the traditional librarian, who can no longer defend the free service concept so easily (Cronin, 1985: 117). Academic libraries in the past did not levy fees for their services, but with the advent of technology-based information services (e.g. online searching) they have been obliged to reconsider their free-service policies (Bellardo and Waldhart, 1977: 188). The ideal of "unrestricted access to information", Wood and Young maintain, can only hold "as long as it is practical to offer ... [these service] on a cost-recovery basis" (1988: 71).

However, this approach to pricing, according to Lewis-Thomson, "is founded on a perception of price as a purely monetary phenomenon" and does not take into account opportunity cost as expressed in economic theory (1988: 130). This is the "intangible aspect" of price (Van Niekerk, 1985a: 28) that can play a role in the "decisions users make about whether to use the service or not" (Lewis-Thomson, 1988: 131). Apart from monetary payment for costly technology-based services such as online searching, the cost to the consumer for using an information service, therefore, could also include psychological stress (e.g. frustration at

the difficulties experienced in using the service); overcoming social barriers (e.g. by the user with a disadvantaged educational background); or, the time it takes to use the service (e.g. the user may be required to come to the library to utilize the service) (Lewis-Thomson, 1988: 130-131). Wood and Young view opportunity cost as a potential barrier to use. For example, the time lost to the user to attend an information interview during working hours, the inconvenient location of the reference service and the attendant paperwork may discourage some users from using the service. Furthermore, library operations and policies that are essential for the smooth running of library services, can become a potential opportunity cost for the user. For example, the time it takes to re-shelve books denotes temporary loss of immediate access for the users, while accurate record keeping of household activities such as binding, cataloguing and loans could mean diverting the library's staff time away from the user to maintaining these records (1988: 73).

In Chapter 3 it has been noted that price is the value the consumer is prepared to exchange for a benefit received (cf the introductory paragraph of 3.3.2). This is in keeping with the exchange relationship concept that something of value is offered by one party to another party in exchange for some other value (cf 1.4.1, second last paragraph). The pricing of a library product or service therefore requires "a balanced assessment of market needs and wants and the ability of the organization to respond to those needs and wants" (Bellardo and Waldhart, 1977: 189). The information service has a certain value for the user in exchange for which he is willing to sacrifice money and effort (Terblanche, 1989: 181). For example, the CSIR Centre for Information Service developed a pricing policy for its product, Infopak (cf 5.3.2 and 5.3.3.1.1), based on a strategy of balancing the internal cost of producing the service against the value placed on the service in the market. The cost of producing a bibliography is relatively low as also is its

value in the market place, so it is accordingly priced inexpensively. On the other hand, an exclusive advice and consultancy service that is highly valued in the market is therefore priced high (Bemarking van inligting, 1988: 15). An understanding of pricing mechanism has become obligatory for librarians who have adopted a marketing approach. They need to determine demand in terms of price (cf 3.3.2.2), estimate costs (cf 3.3.2.3), and, understand the cost-based and demand-based methods of pricing (cf 3.3.2.4) as well as pricing strategy (cf 3.3.2.5) (Zais, 1977; Van Niekerk, 1985a: 28; Bellardo and Waldhart, 1977: 190).

5.2.3.3. Place (or distribution) in the library

Traditionally, librarians have seen place in terms of the physical distribution of services through branch and mobile libraries (Edinger, 1980: 330; Condous, 1983: 415). Wood and Young refer to this aspect of place as the "centrality or dispersion of physical locations", which is a concern with the problems of "site selection for facilities, both branches and central units" (1988: 73-74).

To ensure greater user satisfaction it has become essential from a marketing perspective that the library product or service is brought to the market along appropriate channels. Technology has now made it easier for the late twentieth century librarian to offer a service at a time and place convenient for the user (Terblanche, 1989: 181; Van Dalsen, 1989: 176). Convenience is a key factor in deciding a library user whether or not to utilize a service (Dragon, 1979: 502). Research has shown that the "perceived accessibility of a communication channel is a major predictor of channel use" (Bellardo and Waldhart, 1977: 187). In the past the physical limitations of place obliged librarians to consider distribution in terms of bringing the user to the service. It was impossible to provide a physical site (branch or mobile library) conveniently close to every potential user. Today, developments in communication technology have

made it easier to bring the library and the user into direct contact, the so-called "library without walls" concept (Cronin, 1984b: 51). Online catalogues may be accessed and library borrowing transactions completed from the convenience of the user's own domestic terminal (Cronin, 1985: 117). However, convenience is not only made possible through electronic technology, but also through traditional library services such as Selective Dissemination of Information (SDI), which is still one of the best means of providing "information where it is needed" (Van Niekerk (1985a: 44).

The importance of "atmospherics" (cf 3.3.3.4) has also been noted by some librarians (Cronin, 1985: 117). The library should be a pleasant place to visit and spend time in. This is achieved by giving particular attention to lighting, ventilation, layout, and above all a welcoming, courteous and well-informed staff (Petrell, 1981: 331; Leerburger, 1982: 9).

The concept of intermediaries (cf 3.3.3.3) as an interface between the service provider and the consumer "may make things more efficient" in today's library (Smith, 1983: 41). For instance, in Scandinavia some public libraries are making their books available through bookshops. The information gatekeeper within the academic and research environment is an excellent example of an intermediary, who may be unconnected to, even in opposition to, or alternatively, a willing partner of the university library service (Smith, 1983: 41-42; Van Niekerk, 1985a: 28-29).

5.2.3.4. Promotion in the library

Edinger describes promotion as "communicating with current and potential clientele to make them aware of services that are available" (1980: 331). From this point of view, the main purpose of promotion is to influence the users to "actually use the library" (Lewis-Thomson, 1988: 128). Cronin concurs that promotion increases visibility among the users

as well as the funding authorities, and he quotes Allan Whatley in support of his argument that "the more business a library can attract the more likely it is to win the attention of the public and more support from the local council" (Cronin, 1981: 385-386; cf also, 1985: 118). For the university library "this means communicating with faculty, administration, governing boards and alumni, as well as students" (Leerburger, 1982: 91).

In two recent articles in the South African journal of library and information science, promotion has been described as marketing communication (Terblanche, 1989: 181; Van Dalsen, 1989: 176) with its main purpose being "to communicate the benefits of the products and services to the target audience" (Dalton, 1989: 185). It had similarly been stated by Smith that the aim of marketing communication is "to create aware and informed providers and users" (1983: 44). Promotion as persuasive communication is the traditional view put forward in marketing literature (cf Pride and Ferrell, 1985: 322), and is the view now adopted by librarians (Van Niekerk, 1985a: 29; Van Dalsen, 1989: 176).

It has been argued by two librarians, Dragon (1979: 500) and Van Dalsen (1989: 176), writing a decade apart, that in the past libraries have limited the promotional mix (cf 3.3.4.3) to point-of-sale displays (i.e. library displays), publicity and personal contact. Dalton, however, claims that her bibliographic analysis of librarianship literature between the years 1984 and 1988 shows that public relations and publicity receive the most attention, and advertising and personal selling (contact) "negligible treatment" (1989: 185).

5.2.3.4.1. Public relations

Van Niekerk's review of the literature seems to support the notion that public relations is a popular concept in librarianship. During the 1930s public relations "went from strength to strength", declined during the 1950s, but "a

revival of enthusiasm has been evident over the last few years" (1985a: 34). Public libraries particularly showed the greatest predilection for public relations, while university libraries only developed a strong interest during the 1980s (Dalton, 1989: 186).

According to Lewis-Thomson's survey of the literature (1988: 115), librarians are, however, rather confused about public relations. Some see it as being similar to marketing, others as merely a means of informing the public about the service, while others are concerned with the public image that it creates. She observes that the "fundamental assumption" of these various schools of thought on public relations would seem to be "that the products are given and the needs of the users are known. The objective [of public relations] is to increase awareness and stimulate use" (1988: 117). This approach, however, is in direct contrast to marketing which "is concerned with satisfying the needs of identified actual and potential customers in terms of their expectations of the company's products" (1988: 116). On the other hand, Van Niekerk notes that public relations is concerned with creating public awareness over a long period of time by uniting the staff in a cooperative effort to maintain high morale and productivity. The library can only project an advantageous public image if it is responsive to the users' needs, and does not deliver a bad performance. Therefore, Van Niekerk concludes, librarians must perceive "that public relations is an essential part of the promotional element of the marketing mix" (1985a: 33,35-36).

5.2.3.4.2. Publicity

Dalton defines publicity (cf 3.3.4.3.4)) as "that which appears in print or broadcast media as a result of the PR effort" (1989: 187). Although publicity could be seen as free advertising, considerable "promotional skill is required to write a good news release", skills that few librarians possess (Dragon, 179: 501). It may therefore be advisable

for the university library, for instance, to invite the campus newspaper to write a story on a particular library matter (Bellardo and Waldhart, 1977: 191; Petrell, 1981: 332; Leerburger, 1982: 95)). It should however be born in mind that the news media are always looking for a "hook" that will capture and hold the interest of the reading public (Wood and Young, 1988: 76-77). The publicity is consequently not necessarily favourable. According to an analysis by Dalton of news coverage in South Africa, libraries in 1986 received 28,6 percent negative publicity, and in the following year 27,2 percent (1989: 187).

Publicity in a university library can however also take the form of the library's own PR newsletter directed at the academic or student body (Leerburger, 1982: 93). An effective form of publicity is a brochure that describes the library's services and facilities, its collections and resources, operating procedures, and also, introduces the staff. The brochure often forms part of the library's orientation programme and can be accompanied by a formal slide presentation. Additional forms of publicity include library exhibitions of new acquisitions, and news bulletin boards, either in the library or on the campus, displaying a calendar of events, news clippings of general and library interest, book jackets, and cartoons (Wood, 1984: 407; Petrell, 1981: 332-333; Leerburger, 1982: 95).

5.2.3.4.3. Displays

As part of the technique of sales promotion, according to Dalton, attractive "displays help to re-inforce the library's position in the users' minds, as well as inform and create desires" (1989: 188; cf also Van Niekerk, 1985a: 31; Dragon, 1979: 500-501) (cf 3.3.4.3.3). Such displays should be accompanied by annotated book lists to help guide interested users (Leerburger, 1982: 99). Librarians are however cautioned to take care that the publicity material put out by the library contributes to a positive image. The design

of brochures, newsletters, displays, is "an important element in developing" the corporate image of the library. Librarians should therefore rather consult technical experts if they personally lack the experience and knowledge of graphic design. In the case of a university library, the university's arts department may be willing to assist with the graphic design of signs and displays (Leerburger, 1982: 98; cf also Hutchinson and Kirby, 1981: 401; Petrell, 1981: 335).

5.2.3.4.4. Advertising

Librarians have in the past tended to ignore advertising as a form of marketing communication (cf 3.3.4.3.2). Dalton expresses the opinion that advertising, "used advantageously, should create a favourable attitude and positive image toward the library and information profession" (1989: 186). The expense of advertising in the mass media is highlighted by Wood and Young as probably the main reason for the rare use of this form of communication. They suggest however that a university library, for instance, could do cooperative advertising with another campus department, or seek company sponsorship (1988: 77). Leerburger points out the example of the Johns Hopkins University library that places advertisements in the local student newspaper, which is not as expensive as advertising in a national newspaper, and, simultaneously, is aimed at the appropriate target user group (1982: 96). Whatever media form is chosen, Wood and Young recommend sampling user opinion to ensure that the message of the advertisement is acceptable to the target group of students (1988: 78).

5.2.3.4.5. Personal contact

Contrary to Dalton's literature survey findings noted above (cf 5.3.3.4, last paragraph), personal contact appears to find favour among some librarians as "an effective method of marketing the library's services, particularly in the case

of college and university libraries" (Edinger, 1980: 331). Library staff members are urged by Edinger to go outside the library and talk to academic staff about available services. Van Niekerk (1985a: 30) points out that libraries "are constantly in personal contact with their users, but they do not always make the best use of this". Therefore, it is vitally important for librarians to establish personal contact with academic staff and university administrative personnel, as this is probably one of the most effective methods of persuading the user in favour of the library's products and services (Terblanche, 1989: 181; Condous, 1983: 411; Dragon, 1979: 501; Petrell, 1981: 332).

In her review of the literature Lewis-Thomson notes with approval the trend during the 1980s towards a greater emphasis on personal communication. This contributes towards "a deeper understanding of the personal contact aspect" of marketing planning in libraries, and, in particular, the total involvement of the library staff in personal promotion (1988: 128-129). This trend is in accord with the theory of services marketing which maintains that:

managing the contact between the customer and the staff of a service organization can exert a far-reaching positive influence on the customer's perception of the service product and of those who provide the service (1988: 129).

If expectations are to be congruent with the actual experience of the service offered, then librarians must acquire "the necessary social skills and desired technical competence" (Dalton, 1989: 189) "to produce realistic expectations in the customer's mind, and simultaneously to establish the obligations of the library's staff in executing service transactions" (Lewis-Thomson, 1988: 130).

5.3. THE APPLICATION OF SERVICES MARKETING IN THE LIBRARY

In Chapter 4 the problems of services marketing within the wider field of marketing theory has been noted (cf 4.3.1). In particular, it has been noted that services can be

characterized as being essentially intangible and require therefore physical evidence in their presentation to the market (cf 4.3.2.1). At the same time, the interaction that takes place between the customer and the service performance (cf 4.3.2.2 and also 4.3.3.2), the difficulty of standardizing the quality of service (cf 4.3.2.3), and, the importance of improving staff commitment and service quality through internal marketing (cf 4.3.3.1) have received attention. It has also been noted that the quality of service is dependent on the technical acceptability of the service to the customer, the functional transfer of that technical competence to the customer, and, the acceptability of the corporate image of the service organization to the customer (cf 4.3.2.5).

Gummeson, it has further been noted (cf 4.3.3.2), has shown that the interactive relationships of a service organization can be understood to consist of the customer's interaction with the personnel of the organizations, its technical resources and physical environment, as well as the interaction among the customers themselves. Attention has been drawn to the three additional Ps of 'participants', 'physical evidence', and 'process of service delivery' as proposed by Booms and Bitner (cf also 4.3.3.2). It has been seen that 'participants' as a marketing mix element ensure that the commitment, attitude and interpersonal behaviour of the personnel towards the customer receives particular attention, while the interaction among customers during consumption of service also requires consideration. The importance of 'physical evidence', it has been seen, lies in the care given to the technical competence and appearance of the service provided, while the 'process of service delivery' ensures that the policies and procedures, mechanism and activities of the service organization meet the customer's expectation of service quality.

Since libraries are essentially service-orientated organizations it would seem only natural that services marketing

should have received some attention from librarians. However, this researcher has been unable to obtain any significant references to services marketing in the literature of librarianship. Apart from the MBA research study by Lewis-Thomson on services marketing in librarianship, only the articles by Terblanche (1989: 181-182) and Van Dalsen (1989: 174-177) were found to contain substantial reference to the 3 Ps of services marketing. The term services marketing or any of the three Ps, viz., 'participants', 'physical evidence', and 'process of service delivery' did not, in a search of Library and information science abstracts, produce any articles that dealt specifically with these issues.

Lewis-Thomson (1988: 83) maintains, together with Gronroos (cf 4.3.3.1 and figure 4.6), that the 'four Ps' marketing mix of traditional marketing manages the "customers' expectations of the service by making them aware of the organisation and its products, and building their understanding of the product". Interactive marketing, on the other hand, "through the management of physical evidence, the process of service delivery, and the participants themselves", influences the interaction of all the people involved in the exchange process (cf 4.3.3.2). The needs of the users can only be satisfied if those expectations created by traditional marketing are congruent with their perception of the quality of the service experienced. Accordingly, the level of satisfaction the library staff experience both in their interaction with the users and the performance of their tasks, is directly related to the standard of service they provide as well as their attitude towards the customer. The quality of the human element in the library is moulded by the internal marketing effort (Lewis-Thomson, 1988: 87-88).

People (or participants), as one of the elements of the marketing mix, therefore require particular attention in the marketing of any library system, including university libraries. The interaction among library users can influence

their perception and expectation of the service quality offered by the library. It is difficult to control this interaction, but it should always be kept in mind when designing a marketing plan for the library. Certainly one satisfied user can have a positive influence on other potential users. For this reason the selection, training and competence of the staff forms such an important part of the library's marketing strategy (Van Dalsen, 1989: 177; Terblanche, 1989: 182). In the selection of library staff it is essential "to find persons with enthusiasm, initiative, and inquiring minds, who are well-trained for the positions they will hold" (Petrell, 1981: 331). Training in interpersonal skills, and the comprehensive evaluation of staff performance, form an essential part of marketing the library's services (Hobson, Moran and Stevens, 1987: 93). At the same time, the staff should be continuously motivated and encouraged in the fulfillment of their duties, while care needs to be taken that changes in management policies, decisions, and plans are effectively communicated to the staff (Petrell, 1981: 331-332).

Bellardo and Waldhart (1977: 284) observe that "the intangible nature of services makes it difficult for a consumer to evaluate competitive offerings". The physical evidence (tangibility) of library service is vitally important. The user judges the quality of the service in terms of such resources as catalogues, computers, photocopying machines, etc., which are used to deliver the service (Van Dalsen, 1989: 177). The atmosphere and appearance of the physical environment should be both pleasant and effective: Attention should inevitably be given to good lighting and ventilation, well-placed study tables, easily accessed materials, and most important of all, the staff should be courteous and efficient (Terblanche, 1989: 181-182; Petrell, 1981: 331; Leerburger, 1982: 9).

Likewise, the process of service delivery should be streamlined to ensure a competitive service (Terblanche, 1989: 182).

It is necessary to take into account the policies and procedures of the library, as well as mechanization, staff competence, flow of information and services, telephone reception, and so on. These are the tangible aspects of the library service and directly influence the users' perception of the library (Van Dalsen, 1989: 177).

5.4. CONCLUSION

The marketing of libraries, including university libraries, has found general acceptance in the literature of librarianship during the past two decades. In particular, the marketing concept that obliges the responsive organization to make "every effort to sense, serve, and satisfy the needs and wants of its clients and publics within the constraints of its budget" (Kotler, 1982: 33), has found favour with librarians.

It has been noted that as applied to profit-orientated organizations, the marketing planning of libraries, including university libraries, requires an environmental analysis of the library's marketing environment, its organizational resources, and its users' market (Pienaar, 1988: 217; Terblanche, 1989: 182). Since the resources of the library are limited, it has been seen that many libraries in a similar fashion to profit-orientated organizations, segment their market into homogeneous target markets or groups in accordance with various criteria such as need, benefit sought, demographic or socio-cultural affiliation, and so on. It has further been found that many librarians have come to accept the implementation of the marketing mix variables of product, place, price, and promotion when marketing their product offerings.

Although the relevance of services marketing for libraries, and, in particular, the importance of participants, physical evidence, and the process of service delivery in the marketing mix was referred to in the marketing literature, it has

been noted that for the present the literature of librarianship is largely silent on this issue. However, the recent interest of a few South African librarians has been acknowledged.

The growing interest and enthusiasm of librarians for marketing prompted Cronin to make the prediction, in a paper delivered at the Information Management Symposium held at the University of the Western Cape in 1985, that by the end of the decade marketing would "have become a wholly natural and integrated aspect of information services management" (1985: 115). Whether South African libraries, and particularly, university libraries, have adopted marketing planning as "a wholly natural and integrated aspect" of their management strategy is the question that the remaining chapters of this study will endeavour to answer.

Chapter 6

METHODOLOGY

6.1. INTRODUCTION: PURPOSE OF STUDY

The purpose of this research study, as stated in Chapter 1 (cf 1.2), is to ascertain whether the principles of marketing and the techniques of marketing planning are used and understood by the management of South African university libraries. The present research study is, therefore, confined to exploring and describing the phenomenon of marketing practice in South African university libraries (Mouton and Marais, 1988: 43-44). It is therefore necessary to gather relevant data in an attempt to determine whether the marketing planning process is understood and/or practised by university library managers in South Africa.

6.2. RESEARCH METHODOLOGY CHOSEN

There are a wide variety of data-collecting procedures available to the researcher. For instance, useful data can be obtained from documents, such as policy statements, records, annual and statistical reports, which reflect the goals, objectives, and activities of the various university libraries (Line, 1982: 48). However, practical considerations concerning the ready availability of such documents excluded this method of data-collection. Alternatively, data can be obtained by the direct observation of the activities of all, or some selected university libraries to determine whether the needs of the users are being met according to a consistent marketing plan (Line, 1982: 49-50). However, for this method of data-collecting to be meaningful, it would necessitate obtaining appropriate policy documents to determine whether what is observed in each library reflects its commitment to the principles of marketing. Undoubtedly this approach would provide an accurate survey of how the marketing planning process is carried out in the university libraries of South Africa, but the considerable cost in time

and money which direct observation would entail disqualified this method for the researcher. It is also possible to obtain data through self-study techniques such as the keeping of records by respondents with the aid of diaries, critical incident reporting, or activity sampling. This form of data-collecting, however, is more suitable for studying the information usage habits of a limited number of respondents (Line, 1982: 52-53; Van Niekerk, 1985a: 82), rather than for establishing the marketing practice of library managers. It was, therefore, considered unsuitable in this study as a means of determining whether the library managers of South African university libraries adhere to the principles of marketing in their libraries.

Taking into account the disadvantages of the above-mentioned methods of data collection, the descriptive survey was considered to be the most suitable method of obtaining data from South African university library managers concerning their application of the principles of marketing (Leedy, 1985: 133). The survey method facilitates the gathering of relevant field data in a standardized and planned manner from the population or universe to be studied, which can range from individuals to larger entities such as organizations (Smith, 1981: 149). For this present study the survey population was limited to individuals representing their organization, viz., the top management of university libraries as specified in 6.4 (cf also Appendix D). In designing the survey methodology (cf 6.3), particular care was taken to guard against bias, although, "in the research environment, the researcher cannot avoid having his data contaminated by bias of one sort or another" (Leedy, 1985: 163).

The primary survey methods available to the researcher are self-administered questionnaires, and interviews (Busha and Harter, 1980: 61; Line, 1982: 52). The inherent flexibility of the interview technique, together with its potential for a higher response rate and greater detail made the interview the most suitable survey method for the present research

study (Smith, 1981: 168-170; Line, 1982: 71-75; Busha and Harter, 1980: 78). A particular advantage of the interview method is that it enables the researcher to encourage the respondent to adopt a positive attitude towards the survey. At the same time, the flexibility of the open-ended interview situation allows for deeper probing of the respondent's answers, particularly when these answers become more complex (Goode and Hatt, 1952: 171-172). However, personal interviews are time-consuming and expensive, especially if the respondents are spread over a wide geographical area and involve extensive travel time and costs. Therefore, taking into consideration the wide-spread geographical distribution of the universities covered by this study (cf Appendix D), the interview method was rejected in favour of the self-administered questionnaire.

The self-administered questionnaire does have a number of disadvantages that have to be kept in mind when evaluating the data collected (Busha and Harter, 1980: 63). A distinct disadvantage could be the respondents' possible lack of enthusiasm, even antagonism and hostility towards the questionnaire (Line, 1982: 55), which could bear directly on the internal validity of the data collected (cf 6.3). In addition, this method does not permit the researcher to verify the accuracy of the responses, or, to probe in any great depth the matter under investigation (Smith, 1981: 165; Moore, 1983: 19).

The self-administered questionnaire, nonetheless, has a number of advantages that made it ideally suited for the purpose of the present study (Busha and Harter, 1980: 62). In the first place, the ease with which the self-administered questionnaire could be mailed to respondents scattered over a wide geographical area was a distinctive advantage in terms of the time and the expense saved (Rowley and Turner, 1978: 68; Moore, 1983: 18). Secondly, taking into account the professional and educational level of the respondents approached in this research study, the self-administered

questionnaire was considered to be particularly suitable for this type of respondent (Goode and Hatt, 1952: 172-174). Besides, it was considered that the unassisted responses to the marketing terminology of the questionnaire could give the researcher some indication of the respondents' understanding of the subject matter. Thirdly, it was also possible that the respondents would feel less inhibited in filling out a self-administered questionnaire than when faced with the interviewer. It is an inherent psychological disadvantage peculiar to interviews that the respondent could possibly be negatively influenced by the presence of the interviewer (Smith, 1981: 165,170). The anonymity of the self-administered questionnaire could therefore help enhance the objectivity of the data collected.

6.3. INTERNAL VALIDITY OF THE SURVEY METHODOLOGY

The internal validity of this survey - the accuracy and validity of the survey findings - would be determined as much by the reliability and accuracy of the data gathering method as by the representativeness of the sampling (Mouton and Marais, 1988: 50,193; Leedy, 1985: 24). The latter problem is discussed in 6.4. The validity of the measurement tool must be judged according to whether it "actually measures what it is presumed to measure", while its reliability is determined by the accuracy of what it measures (Leedy, 1985: 25,26). Mouton and Marais state the problem in a slightly different manner:

The central consideration of validity concerning the process of data collection is that of reliability. Essentially, this is the requirement that the application of a valid measuring instrument to different groups under different sets of circumstances should lead to the same observations (1988:79).

Keeping the above considerations in mind, the researcher had therefore to ensure that the questionnaire used in this survey would measure as accurately and reliably as possible the extent to which marketing is practised and understood in South African university libraries.

In view of the limitations of the self-administered questionnaire mentioned above (cf 6.2), it could be assumed that the reliability of the data collected would to a considerable extent be influenced by the amount of time and effort the respondents were prepared to give the questionnaire. This commitment of time and effort by the respondents would be determined as much by their perception of the status and research affiliation of the researcher as by their own inherent resistance to questionnaires, the level of responsibility and motivation they adopt as respondents, their understanding of the questionnaire, and, the natural tendency that they might exhibit of presenting themselves in a favourable light (Mouton and Marais, 1988: 87-89). Although it is an underlying assumption in this investigation that, by virtue of the executive positions they hold, the respondents would be responsible for the answers they give, it has to be taken into account that the survey findings may to some extent reflect certain of the weaknesses and disadvantages of the self-administered questionnaire.

6.4. THE SURVEY

"The concept of a population is fundamental to survey research. A population is any set of persons or objects that possesses at least one common characteristic" (Busha and Harter, 1980: 56-57). In this research study, the survey population includes the executive library manager of each of the universities in South Africa.

As already noted in Chapter 2 (cf 2.2, footnote 1), university libraries are understood in this research study to refer to library services operating in educational organizations where the main focus is on tertiary education and learning, as well as original scientific and scholarly research (Dalton, 1988: 235). Twenty-two universities can be identified within the borders of South Africa, including the so-called 'ethnic' universities that were established as part of the apartheid policy of the South African government

(cf 1.3) (Dalton, 1988: 240). For the purpose of the present study those university libraries that are either full members, or, associate members of the Inter-University Library Committee of the Committee of University Principals have been included in this survey. These libraries and their executive managers are found listed in Appendix D, which was supplied by the office of the above-mentioned committee. Consequently, the universities of the four so-called independent Black national states of Transkei, Ciskei, Bophuthatswana and Venda are included (Dalton, 1988: 240-241).

The selection of the type and size of the sample is one of the critical decisions made when planning a scientific survey (Busha and Harter, 1980: 57). As noted above (cf 6.3), internal validity is dependent on the accuracy of the tool of measurement. The sample must therefore represent the population or universe under investigation as closely as possible. Careful consideration should be given to the method used to select a representative sample of the universe. Usually an inferential statistical technique, randomization, is used for the selection of a valid sample (Busha and Harter, 1980: 60).

In the present study, because the number of respondents was limited, the survey population includes all twenty-two university libraries in South Africa and, therefore, forms the entire population (cf Appendix D). Consequently, sampling considerations were not relevant in this research survey. The internal validity of the survey would be assured by the representativeness of the survey population. However, the accuracy and reliability of the data collection techniques (cf 6.5), which also has an effect on the internal validity of the survey, was a problem still to be faced.

6.5. THE CONSTRUCTION OF THE QUESTIONNAIRE

6.5.1. Some general construction considerations

Taking into consideration the problems of reliability and internal validity, the self-administered questionnaire must be well-designed and properly conceptualized to ensure the meaningful gathering of data. Consequently, Busha and Harter (1980: 63-64) recommend that when preparing a questionnaire the researcher, in the first place, should understand the research problem at hand. For the present study this entailed a review of marketing literature to acquire an understanding of the principles of marketing and techniques of marketing planning by commercial enterprises as well as by nonprofit and service organizations (cf Chapter 3 and Chapter 4). Similarly, a review of the literature of librarianship was essential to determine the extent that the principles of marketing and techniques of marketing planning have been adopted by library management (cf Chapter 5).

In the second place, Busha and Harter caution researchers against asking for information which the respondents cannot provide easily, or, with the minimum of effort. Since the questionnaire is "a device for securing answers to questions by using a form the respondent fills in himself" [emphasis added] (Goode and Hatt, 1952: 133), it is obvious that the questionnaire should be kept as simple as the subject matter under investigation will allow. One of the major problems that the researcher had to face in this investigation was how to pose questions in such a way that someone unfamiliar with marketing terminology would still be able to furnish meaningful information. For this reason a short definition, often couched in terminology familiar to librarians, was provided each time a marketing term was introduced in the questionnaire.

Usually self-administered questionnaires have a high proportion of structured, or closed-ended questions, which require

the respondent to choose between a number of alternative answers, thus making it easier to complete the questionnaire (Moore, 1983: 15). Allowing for the complexity of the subject matter under investigation, it would seem then preferable to obtain information concerning the marketing of university libraries by presenting the respondents with structured questions which should be relatively easy to answer. A structured questionnaire would also facilitate the analysis of the answers, which of necessity must conform to a fixed format (Busha and Harter, 1980: 70; Goode and Hatt, 1952: 153). Furthermore, when using mail questionnaires as in the present study, structured questions should minimize to some extent ambiguity or misunderstanding that could arise when the respondents answer the questions without the guidance of the researcher (Line, 1982: 60).

However, taking into account the exploratory nature of the present research study, open-ended questions would permit greater freedom and scope of expression for the respondents to explore in their own words how they understood and applied the principles of marketing in their libraries (Goode and Hatt, 1952: 182; Busha and Harter, 1980: 70). On the other hand, open-ended questions do not necessarily assure full answers, especially if the respondents fail to complete them (Line, 1982: 60).

Bearing in mind the advantages and disadvantages of structured and open-ended questions, it was decided to use both forms in the questionnaire. Consequently, each major section of the questionnaire that covered a fundamental aspect of the marketing planning process included both structured and open-ended questions (cf Appendix A, questions 1 to 5, 6.4, and 8). It was intended that the structured questions should provide a framework for extracting at least the most basic data on the marketing planning of university libraries, while the open-ended questions would allow scope for the respondents to give their own opinions on, and insights into, the marketing of their libraries.

Although Busha and Harter (1980: 73) advise against the use of technical terms in questionnaires, it was nonetheless intended that in the present context the use of marketing terminology would form an inherent part of the data-collecting methodology of the questionnaire (Line, 1982: 53). After all, the purpose of the questionnaire was to probe the extent that marketing is practised and understood by university library managers in South Africa. Consequently, the respondents' proficiency in and knowledge of marketing, which would be revealed in the answers they provided, were seen to be essential, not only to furnish valid data concerning the marketing of university libraries, but also to reflect their understanding of the subject matter (Busha and Harter, 1980: 72). The terminology of the questionnaire would therefore also be testing whether the respondents had a basic understanding of the principles of marketing.

Of the various types of questions listed by Busha and Harter (1980: 67-69), action questions formed the basis of the present questionnaire, since the main intent of the survey was to establish whether university libraries were actually using marketing techniques. The questions focused essentially on what was actually done in the respondent's libraries with regard to the various aspects of the marketing planning process.

Initially it was intended that the questions would follow a logical order (Busha and Harter, 1980: 73; Line, 1982: 65), starting with the marketing environmental assessment, followed by the analysis of the consumer (i.e. the user) market, the library's strengths and weaknesses, marketing segmentation and, the marketing mix. During the pilot test (cf 6.5.2), however, it became apparent that the traditional sequence of marketing planning was not necessarily the sequence that the respondents would naturally follow. Consequently, in the final revision of the questionnaire, the opening questions started with issues which would be familiar to the respondents, viz., the library's strengths and

weaknesses, and, the library's users, in order that the interest of the respondents would be sufficiently evoked to encourage them to complete the questionnaire (Line, 1982: 66).

The layout of the questionnaire also received particular attention to ensure that it would be both pleasing to the eye and easy for the respondents to complete. For this reason the questionnaire was formatted by means of a desktop facility and laser-printed to enhance its appearance and readability, and thus, to facilitate its completion by the respondents (Line, 1982: 67). Keeping in mind the complexity of the subject matter of the questionnaire, the headings for questions were printed in clear, bold lettering and key marketing nomenclature was printed in italics. The questions were numbered consecutively to help respondents find their way around the questionnaire. The closed-ended questions were widely spaced to avoid any confusion when the respondents indicated their responses in the appropriate boxes opposite the relevant key terms. The amount of line space allocated for the open-ended questions was generous enough to enable respondents to write their comments manually. At the same time, the number of lines assigned for each question was intended to suggest the amount of information expected from the respondents (Line, 1982: 66; Goode and Hatt, 1952: 148; Rowley, 1978: 70).

Draft questionnaires were submitted several times to colleagues for honest and constructive criticism (Moore, 1983: 23; Selltiz, *et al.*, 1960: 550), and, after several revisions, the final draft was printed in readiness for the pilot survey. As the survey population was relatively small, the pilot questionnaire was submitted to only two members of the population, each one being representative of Afrikaans- and English-medium university libraries. The discussion with these respondents that followed after they had completed the draft questionnaire proved to be most valuable in identifying design faults (Selltiz, *et al.*, 1960: 551).

The time when any ambiguities with the wording of questions or any design faults in a questionnaire should show up is during the pilot testing of the draft questionnaire (Line, 1982: 67; Moore, 1982: 23-24). The major fault of the questionnaire, as already noted above, proved to be its length. Both pilot survey respondents expressed the opinion that because of its length, respondents might not complete the questionnaire fully. To accommodate this serious objection, certain questions which had been included in the draft questionnaire had of necessity to be dropped from the final version (cf 6.5.2 for further discussion on this matter).

The final draft of the covering letter, each copy in the language of the two respective respondents, was similarly submitted to the pilot survey respondents for their critical comments (Goode and Hatt, 1952: 146). In the main, the advice of Goode and Hatt (1952: 176-178) had been followed in the drafting of the covering letter, although not necessarily in the same order of arrangement they proposed (cf Appendixes B and C). For instance, it was considered that in this study the respondents' interest would be aroused by stating at the outset the reason for the survey, rather than first explaining under whose auspices the research was undertaken. It was intended that the appeal to the respondents for their help in solving the stated problem - whether marketing is used and understood by university library managers - would stimulate their interest and, therefore, assure a good return rate (Goode and Hatt, 1952: 178).

To encourage respondents to return the questionnaire, a self-addressed and stamped envelope was also provided (Rowley, 1978: 72). At the same time, each respondent who had failed to return a questionnaire by the deadline, was contacted by telephone to encourage the completion and return of the questionnaire (Moore, 1982: 24). (See 7.1 for the response rate).

6.5.2. The contents of the questionnaire

To evaluate the extent to which marketing is being practised by university libraries in South Africa, the questionnaire had of necessity to cover at least the main components of marketing, viz., environmental analysis, consumer market evaluation, assessment of the organization's strengths and weaknesses, market segmentation and target marketing, market positioning, and the marketing mix. In view of the apparent relevance of services marketing for the marketing of libraries, it was considered that the attitude of university librarians towards this aspect of marketing should also be established. This required the inclusion of an additional question on this issue.

In attempting to cover all the main components of the marketing planning process in some depth, the earlier drafts of the questionnaire, including the pilot survey version, had contained far more detailed questions on the various aspects of marketing than the final version. However, the negative reaction by the pilot survey respondents to the length of the questionnaire meant that a number of questions had to be eliminated. In consequence, the approach adopted in the final version of the questionnaire consisted of an explanatory paragraph on each of the main components of marketing planning, followed by a structured question which was intended to test the commitment of the respondents to that particular aspect of marketing. This was followed by an open-ended question which required only a single example from the respondent's library that would illustrate how that particular aspect of marketing planning had been applied (cf Appendix A, questions 1 to 5, 6.4 and 8). It was anticipated that sufficient data would still be obtained by posing fewer but more fundamental questions on the marketing of university libraries in South Africa.

In planning the questions on target marketing and market segmentation, it was felt that it would suffice to concentrate

on market segmentation, since this analytical process forms the basis of target marketing. Taking into consideration the pilot survey respondents' favourable response to the questions posed on market segmentation, the structured questions on each of the segmentation criteria were retained, but only a single open-ended question was posed for the entire section. It was assumed that psychographic segmentation criteria would not be used by university libraries or may not even be understood by the respondents, but it was still included in the section to test this assumption (cf Appendix A, question 4).

In the pilot questionnaire, only an open-ended question had been posed on market positioning. However, one of the pilot survey respondents did not see the relevance of market positioning for university libraries, and, consequently, had failed to provide an example. It was therefore decided to include a structured question to enable respondents to indicate whether they seldom or never market-positioned their services (cf Appendix A, question 5).

To reduce the length of the questionnaire further, no structured questions were posed for the marketing mix elements of product, price and place - only examples were required (cf Appendix A, questions 6.1, 6.2, 6.3). In spite of the numerous questions that could be asked on the marketing mix, it was decided to focus only on one key aspect of the product, price, and place with the intention of judging from the answers whether the respondents understood how to use these marketing mix elements in their libraries (cf Appendix A, questions 6.1, 6.2, and 6.3). On the other hand, since a general familiarity with promotional marketing among university librarians was assumed, based on the literature survey (cf chapter 5) and the researcher's personal experience of university libraries, a structured question on the full range of the promotional tools was posed. This was followed by an open-ended question which requested only a single example of any of the promotional tools that were used to communicate with the library's users.

Initially, the question on the marketing philosophy of the university library had been placed at the beginning of the questionnaire. The negative response of the pilot study to a question on the marketing philosophy of the university library, led to its placement instead nearer the end of the questionnaire in the revised version (cf Appendix A, question 7). It was thereby hoped that the respondents, by that stage, would be willing to give their considered opinion on the marketing philosophy of their libraries.

The structured questions on services marketing were posed in such a way that respondents who were unfamiliar with this concept, or who thought it was irrelevant, could indicate their responses accordingly. The open-ended question was intended to allow respondents the opportunity of showing by their examples whether they understood the principles of services marketing (cf Appendix A, question 8).

The respondents were given a final opportunity at the end of the questionnaire to make any general comment on the marketing of their libraries (cf Appendix A, question 9). This open-ended question was intended to provide a further insight into the commitment of the respondents to the marketing of their libraries.

Although the respondents were not required to furnish their names, it was requested that they supplied their hierarchical position in the library to determine whether their answers represented the views of top management. In this way it was hoped that the data collected from the respondents would reflect accurately the extent to which marketing was implemented and understood by university library managers in South Africa.

Chapter 7

THE MARKETING OF SOUTH AFRICAN UNIVERSITY LIBRARIES: AN ANALYSIS OF THE SURVEY DATA

7.1. SURVEY RESPONSE

Of the twenty-two questionnaires mailed to university libraries in South Africa as identified in Chapter 6 (cf 6.4 and Appendix D) eighteen were returned. This is a response rate of 81,8% .

Of the four university libraries which failed to return their questionnaires, two were Afrikaans-medium universities, one was English-medium, and one was a so-called 'ethnic university. The university librarian from the English-medium university, which was one of the small-sized universities in this group, was unable to complete the questionnaire due to ill health. The questionnaire from the ethnic university was never received in spite of assurances that the questionnaire had been mailed, and, even that a duplicate would be sent. The university librarian of one of the medium-sized, Afrikaans-language universities informed the researcher that neither he nor any of his senior staff understood the questionnaire and they therefore refused to complete it. The university librarian of the other medium-sized, Afrikaans-language university had originally claimed to have mislaid the questionnaire. However, after receiving an extension of time and a duplicate copy, the university librarian responded that the questionnaire was too vague and theoretical, and, the statements would require detailed analysis to ensure a meaningful response. As a consequence this university librarian politely declined to participate in the survey.

Fifteen of the questionnaires were completed by the heads of the library services. These individuals were designated as either the director of library services, or, the university librarian. Two questionnaires were completed by the deputy

university librarian acting as the university librarian. One questionnaire was completed under the designation of the deputy director (research and development). Therefore, taking into consideration the senior level of managerial responsibility of the respondents, it can be assumed with some degree of confidence that the responses reflect accurately the current practice of marketing in these eighteen South African university libraries (cf 6.3).

7.2. THE ANALYSIS OF THE SURVEY

7.2.1. The respondents

Because the questionnaire was submitted to the respondents on the understanding that confidentiality of information would be respected, no attempt has been made in this analysis to identify particular university libraries.

Nevertheless, for the purpose of this analysis, it would be instructive to distinguish between the various responses of the university libraries based on such criteria as size, cultural or language affiliation. Using the language criterion it would be possible to make a distinction between the traditionally white Afrikaans-medium and the English-medium universities (cf 1.3). There are however certain problems with this rather simplistic form of differentiation. To use language as a basis for grouping the mainly white university libraries does not take into account, for example, the bilingual universities of South Africa and Port Elizabeth. For the purpose of this analysis it has been decided arbitrarily to include these two universities together with the Afrikaans-medium universities, mainly because their library management is to a large extent Afrikaans-speaking.

The language criterion could perhaps be extended to the so-called black ethnic universities established in the national states such as Kwa-Zulu, Transkei, etc., and could also include the regional, ethnic universities of Western Cape and

Durban-Westville since these universities are in practice English-medium. However, because of the perceived cultural and ethnic differences of these universities in relation to the English-medium universities mentioned above, it was decided to categorize these universities as a separate group. It has been realized that these universities in reality represent considerable cultural and ethnic diversity. Nevertheless, they have developed historically and ideologically within the essentially black cultural ethos of South Africa. For the purpose of this investigation, therefore, the researcher pragmatically decided to refer to this group as ethnic universities. The Medical University of South Africa (MEDUNSA) has also been included in this group because although it is not linked to any specific region, it is at present intended predominately for black students.

Apart from distinguishing between the university libraries in terms of the above-mentioned criteria, it was decided to make a further distinction according to the size of the university as determined by student population. The size of student population has been taken as a criterion because this is an indication of the size of the university library's market. Some older university libraries belonging to the small-sized university group (such as Rhodes) have larger library collections than other more recently-established libraries. However, these libraries have been retained in the small-sized university group, based on the criterion of student population. Based then on the student population figures taken from Dalton (1988, 242), large universities have, arbitrarily, been classified as those with student populations of 10 000 or more, medium-sized universities between 4 000 and 10 000 students, and small-sized universities below 4 000. Accordingly, the large-sized group includes the Universities of South Africa, Pretoria, Witwatersrand, Stellenbosch and Cape Town. The University of South Africa (UNISA) with its very large student population could belong to a category of its own, but it has been retained in the large-sized group. The medium-sized group

includes the Universities of the Orange Free State, Natal (Durban), Potchefstroom, Rand Afrikaans, as well as Western Cape, Durban-Westville, Zululand and Fort Hare. The small-sized category obviously contain a number of universities that have hardly more than a 1 000 students, while Medunsa is closer to 4 000. This group includes the Universities of Vista, Port Elizabeth, Natal (Pietermaritzburg), Rhodes, North, Bophuthatswana, Venda and Transkei.

Consequently, university libraries are identified in the analysis as belonging to either the large, medium or small university groupings, and, at the same time, a further distinction is made within these categories on the basis of either language or ethnic affiliation.

7.2.2. Assessment of the university library's strengths and weaknesses

7.2.2.1. The table

The first question was concerned with whether university libraries assessed the strengths and weaknesses of their internal resources before embarking on the development of a product or service (cf Appendix A, question 1.1). Of the eighteen questionnaires received, seventeen respondents (94,4%) completed this question.

| | Always | Often | Seldom | Never |
|--------------------------|--------|-------|--------|-------|
| Human resources | 15 | 2 | - | - |
| Financial resources | 15 | 1 | 1 | - |
| Material resources | 13 | 3 | 1 | - |
| Organizational resources | 11 | 4 | 2 | - |

7.2.2.1.1. Human resources

If the 'always' and 'often' response categories are taken together, then 100% of those university libraries which had

responded to this question assessed their human resources frequently. The 'always' category alone received 88.2% responses.

7.2.2.1.2. Financial resources

The same response of 88,2% for the 'always' category was received for financial resources, and, if taken together with 'often', then 94,1% of the university libraries respondents frequently assessed this aspect. Only 5,9% (viz. one library) recorded that financial resources were 'seldom' assessed.

7.2.2.1.3. Material resources

Of the seventeen university libraries which had responded, 76,5% 'always' assessed their material resources, and, if this category is added to the 'often' responses, then 94,1% of the libraries assessed the strengths and weaknesses of their material resources. Only 5,9% of the respondents recorded that they did so 'seldom'.

7.2.2.1.4. Organizational resources

A substantially lower percentage of libraries 'always' assessed their organizational resources, viz. 64,7% of the respondents, but, if taken together with 'often,' then 88,2% of the university libraries respondents assessed their organizational resources. Only 11,8% of the library respondents 'seldom' did so.

7.2.2.1.5. Conclusion

The large majority (92,6%) of the respondents indicated that they assessed the human, financial, material and organization resources of their library either 'always' (79,4%) or 'often' (13,2%).

7.2.2.2. The comments

All eighteen university libraries responded to the open-ended question which followed, asking for an example of either a significant strength or weakness (cf Appendix A, question 1.2). Four respondents identified only weaknesses, eight identified strengths, and six identified both strengths and weaknesses. Several of the respondents' comments were to a varied degree not directly related to this question.

7.2.2.2.1. Problematic comments

The library manager of a large Afrikaans-medium university, who had not responded to question 1.2, stated the reason for not doing so as follows:

I find this most difficult to answer. We do not do formal SWOT [Strengths, weaknesses, opportunities and threats] analysis though of course we take our strengths, etc., into consideration

This statement does suggest an understanding of the significance of identifying the strengths and weaknesses of the library's internal resources in the marketing planning of services. The respondent then went on to state:

However, new services usually have a long and informal gestation period into which the above [internal resources] all figure to a greater or lesser extend.

The statement implies that although formal SWOT analysis is not undertaken, nevertheless the introduction of any new service would be subjected to an analysis of the strengths and weaknesses of the library's internal resources, viz. its human, financial, material and organizational resources.

One of the university libraries from a medium-sized ethnic university, which had ticked all four resources as being 'always' assessed, commented that:

When a system of subject librarians was introduced about five years ago, it was preceded by a survey and a study of user needs among lecturing staff and students respectively.

This comment refers to the analytical process that comes before the introduction of a service, but it does not indicate whether the system of subject librarians is a strength or weakness. However, it could be inferred that if this new service was preceded by a user's survey and study then, by implication, the present subject librarians system is a significant human resources strength for the library since it is fulfilling an identified need in the campus community. Furthermore, having a sufficient number of librarians available to provide the service is in itself a human resource strength.

The head of an Afrikaans-medium university library which belongs to the large-sized university group, had ticked the blocks indicating that their management assessed their human and financial resources 'always' and material and organization resources 'often'. In the response that followed it was stated that the library used five-year plans to assess its human resources, while it took care of its financial resources by means of scientific planning, assisted by specialists. The greatest threat ("bedreiging") for this library lay in keeping its experienced staff. It could be argued that by implication the human and financial resources were strengths in the light of the library's practice of sound scientific management. However, the loss of experienced staff is obviously considered a significant human resources weakness. The approach of this library would seem to be that the strengths and weaknesses of the library's internal resources are controlled as far as possible by the actions taken by management, although, there are some weaknesses (such as the loss of experienced staff) for which there is no immediate managerial solution.

The university librarian of one of the small-sized, ethnic universities commented that they had acquired "a newly expanded building", that a "Subject Library System" would soon be introduced, and, that "participative management" was "consciously" being applied. These resources appear to be

seen by the library as its strengths. By implication it can be inferred that the new building is considered a decided material strength, and, similarly, participative management may be regarded as an organizational strength while the impending "Subject Library System" is a potential human strength.

The following comment was made by another medium-sized, ethnic university respondent:

New spacious library building which was occupied in ... Council provided R... million over a period of 4 years for new publications.

The "new spacious library building" is by implication the material strength of this library service, and the funds for building up its collections a definite financial strength.

One of the small, ethnic university respondents commented:

- (a) Periodicals current awareness service
- (b) Book collection very poor

The inference to be made from these cryptic comments would seem to be that the periodical current awareness service is a strength, and, the poor book collection a significant material weakness

Another medium-sized, ethnic university library commented:

Implementation of extended library hours following a survey conducted in 1987.

Presumably it is being implied by this comment that the "extended hours" of the library is a strength.

7.2.2.2.2. Analysis of comments

It was particularly interesting to note the large number of respondents who had indicated their staff as either a weakness or a strength. Two respondents, the one from a large, English-medium university and the other from a small, ethnic university, commented that well-trained, experienced library

staff are a resource strength for them. Another ethnic university library from the small-sized group commented that its "dedicated and loyal" staff was a "significant strength", although "a lack of a systematic staff development programme" was a weakness. Yet another university library described "the quality of the personnel" as its strength, while a respondent from one of the small English-medium universities indicated their "motivated" library staff as a strength.

Respondents from three university libraries, however, felt that staff was a weakness. The library manager from the large, Afrikaans-medium university who had commented on the loss of experienced staff has already been noted above. One of the university librarians from a small ethnic university responded that the "few professional staff but large numbers of nonprofessional staff (matriculants)", and, the "lack of interpersonal skills, poor communication skills" were a "significant weakness". Another medium-sized, English university respondent commented that "limited experience of staff" due to "applications mainly from newly qualified staff" was a "significant weakness".

Three respondents felt that their library buildings were a strength. The two ethnic university libraries with their new library buildings have already been noted above. Similarly, the respondent from a medium-sized, Afrikaans-language university commented that the outstanding physical facilities of the library building was a significant strength. One of the large-sized, Afrikaans-medium university respondents, however, noted as a material resources weakness the "insufficient seating facilities to accommodate under-graduate students in Main Library".

According to the university librarian of a small Afrikaans-medium university, they experienced "significant weaknesses in all four areas e.g. starting a CD-ROM information service". This library would seem to indicate that any future marketing planning of new services would be hampered by the significant weakness of its internal resources.

The university librarian from a small ethnic university who had identified quality of staff as a strength, commented that any library head who did not take all four resources into account with the development of a new service or process (i.e. product) was not worthy of the position he held.

7.2.3. Assessment of the university library's market

7.2.3.1. The table

The purpose of this question was to ascertain whether university libraries, before embarking on the development of a library service, did assess the psychological and social factors that could influence user behaviour (cf Appendix A, question 2.1). Seventeen libraries (94,4%) completed this question and the same library which had not responded to the first question (cf 7.2.2.1) likewise failed to respond to this one.

| | Always | Often | Seldom | Never |
|-----------------------|--------|-------|--------|-------|
| Psychological factors | 10 | 4 | 2 | 1 |
| Social factors | 11 | 2 | 3 | 1 |

7.2.3.1.1. Psychological factors

Of the seventeen university libraries which responded to this question, only 58,8% 'always' and 23,5% 'often' assessed the psychological factors that affected the behaviour of their users. However, if these two categories are considered together, then 82,4% of the seventeen respondents do assess psychological factors, while 17,6% do so 'seldom' or 'never'.

7.2.3.1.2. Social factors

Of those respondents who indicated that they assessed the social factors of their users market, 64,7% did so 'always',

and only 11,8% 'often'. If these two categories are taken together they represent 76,5% of the respondents. However, 23,5% 'seldom' or 'never' assessed social factors, which is almost a quarter of the total number of respondents.

7.2.3.1.3. Conclusion

It is interesting to note that unlike the question on strengths and weaknesses, somewhat fewer respondents (79,4%) indicated that they 'always' or 'often' assess the determinants of user library behaviour as part of their marketing planning, while 20,6% indicated that they assessed these determinants either 'seldom' or 'never'.

7.2.3.2. The comments

Seventeen (94.4%) of the eighteen university libraries responded to the open-ended question which followed and that asked for an example of one significant psychological or social influence which they took into account as helping to determine library usage (cf Appendix A, question 2.2).

7.2.3.2.1. Problematic comments

At least half of the respondents' comments on this question could be considered problematic, which appears to be partly due to the example given for social factors in the preamble to question 2.1. As noted in Chapter 3, the purpose of assessing the user market is to understand usage behaviour in terms of psychological motivation as influenced by perception, etc. (cf 3.1.5.1), and, socio-cultural influences such as cultural norms, attitudes and beliefs. At the same time, it was found that primary reference groups such as the family, tribe, etc., also determine user behaviour (cf 3.1.5.2). However, the example given in the preamble stated that social factors "could be the user's membership of the academic community as a student, researcher ... and so on" (cf Appendix A, question 2). It would probably have been clearer to

the respondents if it had been stated that social factors included norms, attitudes and values. Unfortunately, many respondents as a consequence seemed to have interpreted social factors as meaning external environmental factors such as socioeconomic conditions, which are actually considered as part of the library's external marketing environment (cf Appendix A, question 3).

It should, however, be added that some of the respondents did respond within the spirit of this question, indicating that they understood it, or, that they had an understanding of what is meant by assessing the consumer market.

One of the medium-sized, ethnic university respondents commented as follows:

Social factor - lack of residential accommodation on campus forces students to share rooms in residence - places pressure on the library to provide seating space, thereby inhibiting extension of some services as this may encroach on available seating

From this comment it would seem that the respondent, who had ticked the blocks indicating that the library 'always' assessed social factors, in fact had confused the social factors of their users with the inadequate university provision of facilities, which is an internal political situation. It could, however, be further argued that if the university administration is receiving insufficient government funding to finance the building of adequate accommodation, that this is an example of external socio-political factors influencing the library situation. Nevertheless, whichever way the above statement is interpreted, the respondent's comment on this question was inappropriate.

Another medium-sized, ethnic university respondent, however, offered as its comment,

Much more study and storage space since 1987,

This comment suggests that the respondent completely failed to grasp the meaning of this question. Similarly, although

another medium-sized, ethnic university respondent had ticked the blocks indicated that they 'always' assessed both psychological and social factors, the accompanying brief comment, viz., "The overnight study facility", suggests a complete lack of understanding of the question.

One of university librarians of a small ethnic university had indicated that they 'always' assessed psychological and social factors, but commented in the following manner:

- (a) Lack of other comparable libraries in this area
- (b) Lack of study facilities at students' homes

It can only be construed from these cryptic comments that the respondent saw external socio-economic factors such as rural poverty as influencing library usage.

Another small-sized, ethnic university respondent commented as follows:

The majority of our users, especially students, have no experience of library services. They come across a library for the first time at the university. This places tremendous pressure on library staff

It could be argued that this comment is made from the point of view that external socio-economic factors such as the social poverty of rural areas would influence the library behaviour of black users. On the other hand, it could equally be argued that the comment is stating that the cultural values of rural-based people would influence their response to a First World institution such as a university library.

The respondent of a large, Afrikaans-medium university who had identified their internal material weakness as insufficient undergraduate study facilities, offered as an example of psychological or social factors influencing user behaviour:

Teaching methods motivating students to do selfstudy [sic]

It must be presumed that the respondent intended this rather brief comment to illustrate the influence of learned behaviour (i.e. "teaching methods") on the motivation of students to use the library.

A large English-medium university respondent commented:

One factor could be whether the service is focussed on the undergraduate student or the research student

Presumably the respondent is saying that the membership of the user to either the undergraduate or research student group would determine his or her library usage behaviour.

The large Afrikaans-medium university respondent who had failed to complete question 2.1, however, did comment that the library management took "into account all factor [sic] which we consider relevant". From this comment it can be deduced that the library management would assess, whenever they consider it to be relevant, the psychological and social factors of the market that determine user behaviour.

7.2.3.2.2. Analysis of comments

Of the remaining nine respondents who had commented, four were concerned with user perception:

Students were found to have little perception that professional library staff are there to assist them

More and more academics have experience of services offered by UNISA and HSRC. e.g. and then expect the same level of service from the ...
[respondent's] library

Positiewe persepsie van die huidige biblioteek-diens deur dosente

Die invloed van die tegnologie en voorsiening/beskikbaarstelling van INLIGTING en veranderde studie patrone, bv. meer behoeftes op Saterdagmiddae om the Biblioteek oop te hou.

The first statement indicates that library usage is influenced by the innate disposition of the users towards the

library staff. The second statement is concerned with the expectations of the users based on their experience of similar services. The third statement is a clear comment on the positive perception that academic staff have towards the library, while the last statement sees user perception of the library as being influenced by technology and the availability of information.

Two respondents commented on the influence of socio-cultural factors:

Cultural differences

Composition of our user group and its changing nature
Although rather brief, the first statement succinctly gives recognition to cultural differences among its users. The second statement would appear also to acknowledge that its users are influenced by different and changing social values.

Three of the respondents's comments included both psychological and social factors:

Although we always try to do this [i.e. assess psychological and social factors], it is not always possible because of rapidly changing circumstances, e.g. rapid change of composition of student body.

We have had to take careful cognizance of the social and psychological factors involved in library service to underprivileged students

Barriers: these may occur in the user or potential user, or in the library itself. I consider this as one of the greater challenges to identify barriers and eliminate them in the user by an excellent service and in the library by streamlined processes

The first two statements acknowledge the influence that psychological and social determinants have on the library behaviour of their users. The last comment is perhaps the most forceful that was made by all of the respondent on this question. The particular respondent attached an additional

comment on this question, which further suggested a deep appreciation of the important influence that both social and psychological determinants have on user behaviour:

...die gebruiker of potensiele gebruiker ... staan binne 'n sosiale verhouding tot die universiteit en sy missie. Psigologies kan daar versperrings [barriers] wees wat geïdentifiseer moet word alvorens 'n mens 'n diens oorweeg

The respondent perceives that unless the psychological factors that influence user behaviour are addressed, the library cannot start to render its services satisfactorily.

7.2.4. Assessment of the university library's external marketing environment

7.2.4.1. The table

Whether university libraries assessed the threats and opportunities of their external environment was the central concern of this question (cf Appendix A, question 3.1). The same seventeen university libraries that had responded to the previous question did so again with this question.

| | Always | Often | Seldom | Never |
|----------------|--------|-------|--------|-------|
| Economic | 7 | 4 | 3 | 3 |
| Politico-legal | 3 | 9 | 2 | 3 |
| Socio-cultural | 4 | 8 | 2 | 3 |
| Technological | 6 | 4 | 3 | 4 |

In comparison with the two previous questions, the responses to this question are noticeably more evenly spread across the table, and, a higher proportion fall in the 'seldom' and 'never' categories.

7.2.4.1.1. Economic environment

Of the seventeen respondents, only 41,2% indicated that they 'always' assessed the economic environment, while 23,5%

indicated that they did so 'often'. These two responses together account for 64,7% of the respondents, while a considerable 35,3% indicated that they either 'seldom' or 'never' assessed the economic environment.

7.2.4.1.2. Politico-legal environment

A rather low 17,7% of the respondents recorded that they 'always' assessed the politico-legal environment, while 52,9% indicated they did so 'often'. Together these two response categories made up 70,6% of the respondents. The 'seldom' and 'never' categories together accounted for 29,4% of the respondents.

7.2.4.1.3. Socio-cultural environment

The socio-cultural environment was 'always' assessed by 23,5% of the respondents, while 47,1% did so 'often'. Together these two response categories account for 70,6% of the respondents. The responses for both the 'seldom' and 'never' categories totalled 29,4%, which was the same percentage as that obtained for the politico-legal environment responses.

7.2.4.1.4. Technological environment

A mere 58,8% of the respondents assessed the technological environment either 'always' or 'often', the former accounting for 35,3% and the latter 23,5%. A substantial 41,2% of the respondents assessed the technological environment either 'seldom' or 'never'. A surprising 23,5% in fact 'never' did assess this aspect of the external environment.

7.2.4.1.5. Conclusion

A somewhat lower percentage of the respondents (66,2%) considered the opportunities and threats of the external environmental 'always' or 'often', while 33,8% did so 'seldom' or 'never'.

7.2.4.2. The comments

Sixteen (88.9%) of the eighteen respondents identified either a significant threat or opportunity in the library's external environment (cf Appendix A, question 3.2).

7.2.4.2.1. Problematic comments

Most respondents seemed to have understood this question as their examples were apt and to the point. An exception was a respondent from a medium-sized, English-medium university whose comment cannot easily be understood:

Conversion from Dobis/Libis to Urica library computerized package,

It is not clear from this statement whether this was seen as a technological opportunity or a threat for the library service. The Dobis/Libis computerized system could have become a technological threat if it no longer fulfilled the library's needs. On the other hand, the new computer system could have been identified as a significant opportunity for the library service which had therefore to be seized.

7.2.4.2.2. Analysis of comments

The comment from a large Afrikaans-medium university respondent, who had not completed the above question, was as follows:

Again we assess aspects of the environment - if considered relevant.

From this statement it must be presumed that the respondent does assess the external environment in terms of its threats and opportunities, whenever considered relevant.

The environmental threat that concerned respondents the most was the economic environment, particularly budgetary constraints, rising prices and disadvantageous exchange rates:

Constant assessment of the economic environment - reduced purchasing power of the library budget results in constant monitoring, rationalization and cutting back where possible

A significant threat of which we have become aware is the effects of budgetary constraints on collection building (and the increasing interdependence of libraries)

Besnoeiing in subsidies; wisseling in wisselkoers; stygende pryse

Rand exchange rate - influence on buying power

Rise in price of library material and declining resources

Budgetary restraints

Limited funds and rationalization

Inadequate funding is a very serious threat

Threat: sanctions

From these comments it can be readily deduced that the respondents understood the significance of the economic environmental threat for their libraries. It must be assumed that sanctions were seen as an economic threat for the ethnic university library which mentioned it. Notably, another respondent, from a small, ethnic university library, after identifying inadequate funding as an economic threat, went on to suggest that the establishment of "a business information service would be one such opportunity", presumably an economic opportunity.

Of particular interest were the number of respondents who had commented on the socio-political and socio-cultural environment as a potential threat for their libraries:

In our particular situation the socio-cultural situation has always to be considered as a potential threat to development

Besides South Africa being a rich country generally, our institution is in a poor environment merely because of political reasons - discriminatory [sic] laws being determinant factors

Deteriorating communication in library, books
being stolen and mutilated

Lack of focus in the university's planning, e.g.
with regard to research areas

Apart from the last comment which came from a small, English-medium university, the remaining comments were made by ethnic university respondents. The first comment seems to suggest that the threatening socio-cultural environment can be countered through good planning, whereas the second comment seems to imply that the external political environment has caused "a poor environment" over which the library has little control. The comment concerning the mutilated books and deteriorating communication would seem to be concerned with the consequences of a threatening socio-political environment. The last comment is focused on the internal political situation of the university, the immediate environment within which the library must operate.

One of the large Afrikaans-medium university respondents identified as an environmental opportunity:

'n snel veranderende omgewing op politieke- sosio-
en tegnologiese gebiede, is 'n groot uitdaging om
aan gebruikers se behoeftes te voldoen

The threatening socio-political and technological environment is seen by this university library as an opportunity to meet the challenge of fulfilling the needs of its users within a changing environment.

Several university library respondents identified the technological environment as a potential opportunity for them, although, interestingly, one large, English-medium university respondent also mentioned "poor photocopier maintenance" as a threat:

Development of hi-technology [sic]

Impending computerization of Library

An opportunity - CD-ROM databases

Usefulness of CD-ROM

For the first respondent the advances of so-called high-technology generally would seem to offer potential opportunities for the library, whereas the other three respondents were more specific as to the form of technology which would benefit them.

7.2.5. Market segmentation

7.2.5.1. The table

All eighteen respondents had completed this question on whether they segmented their users into target markets according to the behaviouristic, geographic, demographic and psychographic segmentation criteria (cf Appendix A, question 4.1).

| | Always | Often | Seldom | Never |
|----------------|--------|-------|--------|-------|
| Behaviouristic | 8 | 4 | 3 | 3 |
| Geographic | 3 | 9 | 2 | 4 |
| Demographic | - | 4 | 6 | 8 |
| Psychographic | - | 1 | 6 | 11 |

Some of the respondents, however, indicated their responses with some qualifications. One of the small ethnic university respondents professed not understand behaviouristic segmentation, therefore the response of this university library is recorded as 'never'. The same respondent said that as far as geographic segmentation was concerned: "yes, should the opportunity arise". Accordingly, the response is recorded as 'often' based on the assumption that the respondent would at least consider geographic segmentation 'often', if not 'always', when appropriate. Similarly, one of the libraries of a medium-sized, ethnic university ticked 'seldom' for geographic segmentation, but noted two branch libraries on campus. The response of this library is therefore recorded as 'often', because it is assumed that this at least would be its response whenever the use of this segmentation

criterion was appropriate. One of the large Afrikaans-medium university respondents noted, "yes, if applicable", for both behaviouristic and geographic segmentation criteria and gave appropriate examples of past segmentation according to these criteria. Therefore, the response was also recorded for these two categories as being 'often', although it is possible that the library may in fact 'always' segment by behaviouristic and geographic criteria when appropriate. For the last two categories the same university library ticked 'never' and then noted "almost never". Since the respondent did not seem to think that 'seldom' was appropriate, the respondent's 'never' response was accepted.

7.2.5.1.1. Behaviouristic segmentation

For this criterion, 44,4% of the respondents indicated that they 'always' segmented according to the behaviouristic criterion, and 22,2% indicated that they did so 'often'. If these two categories of responses are considered together then the response rate is 66,7%. The responses for the 'seldom' and 'never' categories were the same, and taken together make up 33,3% of the respondents.

7.2.5.1.2. Geographic segmentation

Only 16,7% of the respondents said that they 'always' used geographic segmentation, but 55,6% claimed that they did so 'often', which means that 72,2% responded to these first two categories. Consequently, 27,8% was recorded for the last two categories, with 22,2% of the respondents claiming that they 'never' segmented their users according to the geographic criterion.

7.2.5.1.3. Demographic segmentation

A significant 44,4% of the respondents claimed that they 'never' used demographic segmentation, and 33,3% that they did so 'seldom'. These two categories account for 77,8% of

the respondents, which means that only 22,2% indicated that they segmented 'often' according to the demographic criterion.

7.2.5.1.4. Psychographic segmentation

An overwhelming 94,4% of the respondents either 'seldom' (33,3%) or 'never' (61,1%) used the psychographic criterion to segment their users. In fact only 5,6% (i.e. one library) of the respondents claimed that they 'often' segmented according to this criterion.

7.2.5.1.5. Conclusion

It is interesting to note that the majority (58.3%) of respondents 'seldom' (22.2%) or 'never' (36.1%) segmented their market according to behaviouristic, geographic, demographic and psychographic criteria. Consequently, only a minority (41,7%) of the respondents 'always' (15,3%) or 'often' (26,4%) segmented their market according to these criteria.

7.2.5.2. The comments

Fourteen (77.8%) of the eighteen respondents gave an example of a segmentation criterion used to define their target markets (cf Appendix A, question 4.2).

7.2.5.2.1. Problematic comments

None of the examples given or comments made were inappropriate. From their comments it can be deduced that the respondents understood what criteria are applicable when segmenting the user market.

7.2.5.2.2. Analysis of comments

Of the fourteen respondents, ten commented on behaviouristic criteria used to segment their users. One respondent segmented according to the rate of usage:

[Behaviouristic] criteria were used in the initial creation and on-going existence of the Shortloan library, i.e. very heavy use of selected materials by undergraduate students

The other respondents who segmented according to behaviouristic criteria adopted the behaviouristic criterion of user status to target their market. Invariably they directed their services towards undergraduates, postgraduates and academic staff. Some respondents gave examples of specific services directed in accordance with the requirements of the status of the users:

Subject librarian service to post-graduate students

The two most distinctive segments are post-graduates and under-graduates [sic]. The subject librarian system and the ... short loan collections are aimed at their respective needs [sic]

Undergraduate reading room and collection [for undergraduate students]

Eksterne databasis soektogte slegs vir nagraadse studente en dosente

Our instruction into library and information skills is especially geared toward our disadvantaged students without library experiences

The last comment is particularly interesting as the respondent is indicating a further refinement of the undergraduate target market into a segment of "disadvantaged" students. The four respondents who had segmented according to geographic criteria, gave examples of branch libraries established on campus to meet the needs of users situated away from the main library.

7.2.6. Market position

7.2.6.1 The table

All eighteen respondents completed this question on whether they position their services as part of their marketing strategy (cf Appendix A, question 5.1).

| | Always | Often | Seldom | Never |
|-----------------|--------|-------|--------|-------|
| Market position | 3 | 6 | 4 | 5 |

It is interesting to note that 50% percent of the respondents indicated that they 'always' (16,7%) or 'often' (33,3%) positioned their services. Of the other half, 22,2% indicated that they 'seldom' market positioned their service, while 27,8% 'never' did.

7.2.6.2. The comments

Thirteen (72,2%) of the respondents gave an example of how they had positioned themselves in the market (cf Appendix A, question 5.2).

7.2.6.2.1. Problematic comments

One medium-sized ethnic university respondent gave as an example of market positioning the library, "regular displays, showing topical video material". The respondent would seem to have confused promotion with market positioning.

7.2.6.2.2. Analysis of comments

One of the respondents of a small ethnic university stated that the library management did:

not think that the library has anything to do with this - except where positioning is related to recreation.

This respondent had ticked the block that the library management 'seldom' positioned its services. It can therefore be safely assumed that the respondent does not consider market positioning to be relevant in the marketing planning of university libraries.

Three of the respondents who had commented on market positioning were concerned with the physical position of the library on the campus. They pointed out that the central siting of their libraries on the university campus was a deliberate decision, and, therefore, by implication the library service was placed in a strong position to compete with other services or products offered by the university.

The respondent of a small ethnic university library described the market position of the library:

specifically with relations [sic] to the mission of the university, teaching (full-time), research and community services

The implication of this comment is that the services offered by the library are in harmony with the mission of the university. A similar attitude was expressed by an Afrikaans-medium university respondent who, after describing their market position in terms of the physical siting of the library, added:

... 'n ondubbelsinnige uitklaring van sy ROL wat op kampus vervul moet word.

Both these libraries saw their market position being made secure by the clear definition of the unique role that their services should play within the context of the university's mission. Similarly, another two respondents implied by their examples that their market position was secured through the unique services they offered. One of these respondents, from a large Afrikaans-medium university stated that

We rather give attention to 'competing' library and information services,

while the other respondent, from a small, ethnic university library, commented that

Users can get access to outside services, e.g. literature searches. The library can provide easily accessible on-line and C.D.Rom [sic] searches at low costs.

It is implied in both of these comments that the library service is placed in a competitive market position: the first respondent, presumably, by offering services that are of a high competitive standard; the latter respondent by offering services that are unique on the campus and at competitive prices.

Four respondents cited their longer or extended library hours as securing a competitive market position for the library in relation to other campus services such as lectures, laboratory practicals, etc. The underlying assumption would seem to be that the availability of the library's services outside normal day-time hours placed it in a strong market position.

One respondent of a medium-sized, Afrikaans-medium university had positioned the library in relation to the competition offered by the cafeteria, as follows:

Snoepie by biblioteek ingeruim om kompetisie van
kafeteria te neutraliseer

7.2.7. The marketing mix strategy

7.2.7.1. The product cycle

The purpose of the question on the product cycle was to establish whether the management of university libraries understood this concept, and, whether they used this concept in their marketing planning (cf Appendix A, question 6.1). Thirteen (72,2%) of the respondents had commented on this question.

7.2.7.1.1. Problematic comments

One of the university library respondents from a small ethnic university commented as follows:

Growth has contributed to render the library as a dynamic organism

It is difficult to deduce from this statement what the respondent had in mind. It could possibly be inferred from the comment that the respondent saw the entire library service as being in a growth phase, which would make it a particularly dynamic institution at this stage of its life cycle. However, it is not at all clear in what way the library should adjust its services to sustain continued growth.

7.2.7.1.2. Analysis of comments

A number of interesting comments were offered on how the product cycle concept had been applied by individual university library services.

Four of the responses were concerned with the life cycle of their library's information service:

Literature searches: First by hand, then on-line by outside organizations, then on-line in the library and now mainly by using CD-ROM

Inligtingsdiens wat klein begin, uitbrei met vak-groeperinge, aangevul met ERI-dienste, CD-ROM en wat eventueel op "value added infoservices" uit-loop

Consideration has been given to these aspects [of the product life cycle] in e.g. the formation many years ago of the Online Information service, its expansion and decentralization, and its current development in the use of LAN's

The change in the demand for computerized literature searches has forced us to train main library staff into doing [?] the searches, to alter [?] accommodation and price structure, etc.

The first two respondents commented on how their information services adjusted technologically and organizationally to the various life cycle stages of the services. The third respondent noted the development of their online information service after its introduction many years ago: its expansion

during the growth period, requiring decentralization of the service, and, now, possibly during its mature phase, its integration with the campus [computerized] Local Area Network. The last respondent highlighted the impact of demand for computerized information services, presumably during its growth phase, on the library's resources.

One of the respondents of a large, Afrikaans-medium university considered that the library's subject reference service had reached a mature level, which, consequently, meant that certain internal adjustments were made "to enable them to manage their own time more effectively".

The university library of a small Afrikaans-medium university noted how the life cycle of its short loan service had moved from a growth to a mature level "because of the high cost of books" and the consequent demand for library books, while a large English-medium university respondent commented that:

Use patterns of the short loan library indicate that the product is mature and must be reconsidered

This comment implies that should the library's management wish to ensure the renewed growth of this service, then consideration must be given to the further development of this service to meet needs of the campus community which perhaps at present are not being fully satisfied.

Three respondents commented on the life cycle of their catalogue service:

The card catalogue was succeeded by book catalogues and microfiche catalogues and the latter is now being replaced by on-line terminals for the users

Although library cataloguing was computerized nearly 10 years ago, and the circulation function and acquisitions plus-minus 8 years ago (printed book catalogues being provided), since last year OPAC is available through 3 terminals (to be increased to 5), because the time is now ripe for this development

I am not sure what you are looking for. Perhaps in the card catalog, the printed catalog and or COM-cat, and OPEC [sic] an example

It is interesting to note how each stage of the catalogue's life cycle is characterized by the adoption of advanced technology to ensure that the service would continue to meet the needs of the users. The last respondent, although seemingly recognizing the growth of the catalogue service from card catalogue to computer terminal, does not appear to utilize the product life cycle concept in the management of the library.

The product life cycle of periodicals featured in the comments of two respondents:

The decline of the periodicals current awareness service and its recent reintroduction on a more clearly defined user-need basis

Inligting in tydskrifte is onderbenut en 'n plaaslike databasis is toe vir sekere vakterreine geskep

The first respondent had identified that the life cycle of its service was in decline and therefore it required a different approach to ensure that it once again became relevant to the needs of the users. The second comment would seem to imply in that the library's periodical collection as a mature service no longer met all of the users' needs. Therefore, the service had to be developed in such a way that its life cycle could be renewed by offering a service that would continue to satisfy the users' needs.

7.2.7.2. Pricing the library's services

On this question as to how the concept of intangible cost had been used by university library services (cf Appendix A, question 6.2), fifteen (83.3%) out of the eighteen respondents had commented.

7.2.7.2.1. Problematic comments

The respondent, noted above, who had identified the life cycle of its short loan service as reaching a mature level, offered as its comment on the intangible cost to the user: "Hours of opening". It must be presumed from this cryptic statement that the hours of opening would enable the users to avail themselves of the library's services at their own convenience. However, quite how this service could be seen to be removing an intangible cost for the users is not clear. It could perhaps be argued that the cost of time is reduced for the users by enabling them to obtain access to the library in their own time.

The following three comments were made by ethnic university libraries:

We try to meet the users needs as fully as possible.

The slow but sure enhancement of the Library's stature in the eyes of its users

As we are so remote/rural we do not charge for on-line searches because of the intangible cost to users

The first two comments seem to imply that any intangible costs for the users could be reduced by offering a service that meets their needs. These comments, however, do not come to grips with specific costs that the user must "pay" to utilize a library service, such as the inconvenience of having to use reserved books, which are usually in high demand, only in the library. It is difficult to deduce from the last comment what exactly the respondent had in mind. It could be inferred that because the rural users are already so severely inconvenienced by not having ready access to information databases ("the intangible cost"), to charge them a fee for online searches would be placing too high a price on the service.

7.2.7.2.2. Analysis of comments

The following comment came from respondent of a small ethnic university:

I am not sure what you are getting at. Of course cost is always involved for a library user. He/she has to get there, make photocopies, wait or even return for a reserved book etc. These are the intangible costs as there are in any effort one makes to get what you want. Information is a commodity and should be treated as such. A price tag to info [sic] is unavoidable.

The respondent has a clear grasp of what is meant by the intangible cost incurred by the user of the library service. However, the opening remark indicates that the respondent assumes that the user is obliged to pay this intangible cost since there is always effort involved in whatever one wants to obtain. The marketing approach, nevertheless, implies that the intangible cost should be taken into consideration when planning a service for the user. It could be that the cost is too high which may discourage the user from utilizing the service offered.

From the following three comments it is evident that in the planning of their library services the respondents appreciated that their users could incur intangible costs when using the new library service:

It [the intangible cost] is taken into account in assessing viability of centralization, i.e. reducing the number of branch libraries. Ease of use, distance from Main library, level of service etc. are important factors

Our decision to centralize all photocopying facilities has resulted in the user having to spend additional time on "travelling" but it has saved library staff time in that only two persons now need to service the machines

Self help benadering by Gereserveerde Versameling om studente vinniger te help

In the first comment, the desire to achieve a centralized library service must be balanced against the deterrence that

the cost incurred by the user would have on library usage. Similarly, in the second comment it was realized that in order to achieve rationalization of staff the users would have to bear a cost in terms of their time spent getting to the service. It was apparently felt that the users would be willing to incur this cost since they needed the service. In the last comment, the user is offered a faster service, but a certain amount of personal effort is involved. The library management must have decided that the users would be prepared to bear this additional cost for a better service.

The following respondents have tried to reduce the cost of time and effort their users must spend when using the library's services:

Om die wagtyd by alle dienste tot die minimum te beperk, bv. by toegangsbeheer is spesifiek bepaal dat die wagtyd by hekke om toegang te kry, nie meer as 10 sekondes mag wees nie

Magnetic cards are being introduced to save user time when making photocopies

Saving users time by providing computer-output subject catalogues and bibliographies on request; by providing regular printouts to departments of budget details

We try to save costs by offering convenient hours of opening; allowing longer periods of loan to out of town students; answering requests for holdings in the catalogue by telephone

On request of the users of the library hours (per week) were extended to eighty (80).

The first respondent has tried to reduce the time-cost involved in entering the library to a level that is acceptable to the users. The introduction of the electronic card, mentioned in the second comment, has apparently saved the users the time and effort involved in obtaining the change that is needed to operate the photocopy machines, and, probably, has also helped to reduce the actual operation time involved in photocopying. From the third comment it can be inferred that the products offered would save users time. For example, a

bibliography would facilitate users finding books and periodicals more speedily than if they had to undertake the literature search themselves. In a similar fashion the fourth respondent has tried to save their out-of-town users the effort and time of unnecessarily returning loans, and also offered bibliographical information without the need to come to the library. It must be presumed that the extended hours of opening mentioned in the last two comments are intended to reduce the difficulty of obtaining information for the users by providing access beyond normal office hours.

Finally, these last two respondents recognized that their users did pay a price for their service, but that it would be more costly for the users to make do with a similar service elsewhere:

The [library's] BELTEL service is more costly but save the student time and is more convenient

Certain users are willing to pay for CD-ROM literature searches instead of using printed indexes in order to save time, e.g. hospital staff and post-graduate students

Although both respondents offer costly services, they are able to market their services with confidence as they compares favourably with similar services in terms of price. Interestingly, both respondents have used the price element of the marketing mix as part of their market position strategy. Their service product is well-placed in a competitive market, and, therefore, is likely to satisfy the information needs of their users.

7.2.7.3. Place, or the distribution of the library's services

Respondents were asked to give an example of how the concept of convenience of place was used in the planning of their library services (cf Appendix A, question 6.3). Two of the respondents did not comment on this question, while one stated that it was too "early to comment on this now".

7.2.7.3.1. Problematic comments

One respondent of a medium-sized, English-medium university gave as an example, the "centralization of inter-library loans". It is not apparent what the respondent had in mind with this statement. In fact it could be argued that centralization of inter-library loans would mitigate against providing those users situated far away from the main library with convenient access to this service.

7.2.7.3.2. Analysis of comments

Six of the respondents commented on the more obvious convenience of providing easy physical access to their services. Usually this was done by means of branch libraries placed next to or in close proximity with a single-subject faculty such as law, education or medicine. Interestingly, according to one respondent, access to the library for its users was facilitated by increasing the visibility of the service:

Sigbaarheid van die dienste moet maksimaal wees, bv. toegang tot die gebou, duidelike rigtingwyser-sisteem en dienspunte wat te alle tye beman moet wees

The assumption of this approach to place is that the users would be denied convenient access to the library unless they could find their way easily around the building and reach the services on offer with the minimum of effort.

For a further five respondents, convenient access to services was ensured by placing these services within easy reach of their users. The respondent who provided the BELTEL service, cited this facility as an example of ensuring easy access to this service for their users. Another respondent reduced the size of their short loan collection which, together with a 48-hour loan facility, made access to this material considerably easier for their users. The remaining three respondents commented as follows:

Literature searches are easily accessible in this library so users do not have to use outside organizations

[Several CD-ROM databases were acquired] because academic staff can use CD-ROM databases themselves rather than do handsearches [sic] of hardcopy abstracts/indexes

Opening [sic] even during public holidays for users convenience, for example when there are tests or exams following immediately after the public holidays ...

The first respondent quoted above offered their users the most convenient access to literature searches available in their area, which placed the library in a competitive position in the market place. The second respondent provided their users with easier access to bibliographic information through the acquisition of advanced technology. The advances in information technology have enabled university libraries to bring their information services much closer to the users than was possible in the past. At the same time, the first respondent considered its CD-ROM-based literature searching service to be well-priced since in terms of time and effort it was the most convenient information service available for its users. Here price and place are closely linked in the marketing mix strategy of the respondent. The last respondent used extended hours during public holidays to facilitate access to information for its users. It was noted above that the extension of hours was used by another respondent as part of its pricing strategy to reduce the effort its users were required to make to obtain information. Certainly, convenience of place would reduce the intangible cost of time and effort for the users of a library.

Some respondents facilitated access to information for their users by placing subject-related materials together, presumably based on the supposition that their users preferred information about a subject field to be kept together, irrespective of the type of information source:

Centralization of subject matter by arranging all monographs, reference works, bound journals, dissertations and theses together

The music materials have been gathered together in one room to form a music library within the central library

To improve convenient access to information for its users further, another respondent provided "seating for users near [the] subject collections".

7.2.7.4. Promoting the library's services

7.2.7.4.1. The table

This question tried to ascertain to what extent university libraries used the promotional mix tools of advertising, publicity, public relations, sales promotion and personal contact (cf Appendix A, question 6.4.1). All eighteen respondents completed this table.

| | Heavily Used | Moderately Used | Seldom Used | Not Used |
|------------------|-----------------|--------------------|----------------|-------------|
| Advertising | 1 | 8 | 7 | 2 |
| Publicity | 7 | 10 | 1 | - |
| Public relations | 4 | 10 | 4 | - |
| Sales promotion | 2 | 13 | 2 | 1 |
| Personal contact | 8 | 10 | - | - |
| Other | 5 | - | - | - |

7.2.7.4.1.1. Advertising

Only 5,6% of the respondents (i.e. one library) used advertising 'heavily', but 44,4% had utilized this promotional tool 'moderately'. This accounts for 50% of the respondents. Of the 50% respondents remaining, 38.9% 'seldom' made use of advertising, while 11,1% (i.e. two respondents) did not advertise at all.

7.2.7.4.1.2. Publicity

The overwhelming majority (94,4%) of respondents used publicity either 'heavily' (38,9%) or 'moderately' (55,6%). Only 5,6% publicized 'seldom'.

7.2.7.4.1.3. Public relations

The 'heavily used' responses (22,2%) and the 'moderately used' responses (55,6%) accounted for 77,8% of the respondents who practised public relations, while 22,2% 'seldom' utilized this promotional tool.

7.2.7.4.1.4. Sales promotion

Few respondents (11,1%) used sales promotion 'heavily', although 72,2% utilized this promotional tool 'moderately'. In effect this means that 83,3% of the respondents used sales promotion either heavily or moderately. Only 11,1% of the respondents 'seldom used' sales promotion and 5,6% did not use sales promotion at all .

7.2.7.4.1.5. Personal contact

Of all the promotional tools, personal contact proved to be the most frequently adopted by the respondents. In fact 100% of the respondents employed personal contact either 'heavily' (44,4%) or 'moderately' (55,6%).

7.2.7.4.1.6. 'Other' promotional activities

Respondents were given the opportunity also to specify any other promotional tool that they might have found useful. Of those who indicated that they had 'heavily used' other promotional tools, two mentioned that they attended faculty and departmental meetings, and another two that they gave "formal user guidance" and "orientation programmes". All of these activities, however, do involve what is largely personal

contact and can therefore be considered as examples of this promotional tool. Another respondent noted their "Annual library week" as an additional promotional tool. Again this promotional exercise would probably make use of personal contact (e.g. talks, information desk, etc.), sales promotion (e.g. posters, etc.), advertising (e.g. in the campus newspaper, etc.), publicity (e.g. pamphlets and brochures on the library, etc.), and public relations (e.g. orientation tours through the library).

A further two libraries had added comments under 'any other', but they both failed to indicate the degree of use:

Kampus-inligtingstelsel, bv. Bibnuus

Inligtingssessies vir groepe student; high quality information service

The first comment is an excellent example of public relations, whereas personal contact would be the promotional tool mainly used with the second comment. It is interesting to note that "high quality information service" is also given as a promotional activity. Seen from a marketing point of view, it could be argued that the quality of the professional service promotes the library services in the eyes of the users. The interaction that takes place between the library staff and the users through personal contact helps to promote the library's public image. This personal interaction is the essence of services marketing which forms the basis of one of the additional Ps, viz. 'participants' (cf 4.3.3.2).

7.2.7.4.1.7. Conclusion

The majority of respondents (81.1%) utilized promotional tools either 'heavily' (24.4%) or 'moderately' (56.7%), and only 18.9% used them seldom or not at all.

7.2.7.4.2. The comments

7.2.7.4.2.1. Problematic comments

The respondent from a small ethnic university who had indicated that the library used all of the promotional tools 'moderately', gave as an example a "card system for photocopying" and the "introduction of [a] fine system for staff". It must be concluded from these examples that the respondent did not understand what is meant by the promotion of the library's services.

7.2.7.4.2.2. Analysis of comments

Three of the respondents commented that they used all of the listed promotional tools. A respondent of a large Afrikaans-medium university noted that these tools were "continuously used with virtually all services", while a medium-sized English-language university respondent commented that they had used all these tools "to keep our users posted on the move to the [new] library" as well as to alert them what services were available. A small, ethnic university library respondent claimed that they used most of the promotional tools in the "user guidance programmes".

Six respondents gave examples of personal contact which included attending academic faculty and departmental committee meetings, discussions with the Student Representative Council, and personal visits by the library director to the deans of the various faculties.

Nine of the examples on publicity referred to brochures for students on the library and its services, although two respondents also mentioned accession lists and circulars sent to academic staff.

Apart from the ethnic university respondent quoted further below, the only other example of sales promotion was the use

one respondent made of "displays of materials on news of the week - e.g. Earth day, etc.".

Four of the public relations examples were related to the library putting out PR newsletters and information bulletins, or receiving news coverage in the campus newspaper. Two respondents referred specifically to general orientation library tours and special interest demonstrations such as online literature searching as being part of their public relations activities.

Two respondents commented on how they used the promotional tools during their Library Week:

Before and during Library Week, extensive use is made of publicity through different media and events are arranged in the Library to attract interest. There is extensive contact with students through small group training.

During "Library Week" we gave free rulers (with our University's name on them) away to students who borrowed books, distributed library bookmarks and publiced [sic] book displays with posters. We ran an art competition, poetry and science model competitions to advertise Library Week.

It is apparent from the first comment that the respondent, from a small, English-medium university, utilized publicity and sales promotional events to focus attention on Library Week as well as personal contact to promote the library directly to the students. The latter respondent, from a medium-sized ethnic university, has imaginatively put to use sales promotional devices such as bookmarks, rulers, posters as well as events such as competitions to help draw attention to the library.

7.2.8. Marketing philosophy of university libraries

All eighteen respondents commented on their marketing philosophy (cf Appendix A, question 7).

7.2.8.1. Problematic comments

The comments of three ethnic university library respondents did not convey satisfactorily their marketing philosophy:

Simply put, to try and make it the "second home" to students and lecturers: apart from plenty of study space the new library will feature a casual reading area, a 24-hour study area, a smoking room etc. to make its users feel at home

With introduction of subject specialization system we would like to develop a closer working relationship between the library and facilities [sic] through subject librarians

Communication with the users, sufficient hours and availability of information

It is not clear how the first two respondents link their statements with a marketing philosophy. Although there is nothing wrong in what they propose to do, it does not seem to be taking place within a planned marketing framework. No mention is made of seeking to satisfy the users' needs within the constraints of the library's resources. In the first comment there seems to be an underlying assumption that the users' needs are 'known' by the library, while the second comment fails to explain how the "closer working relationship" will be established between the library and its users. The third respondent would seem to equate marketing with communication, and, presumably, the opening hours and availability of information would signify an efficient service. This respondent had also not shown any understanding of the application of the marketing mix, apart from an obvious commitment to promote the services of the library.

7.2.8.2. Analysis of comments

Of the remaining fifteen respondents, one library manager of a small, ethnic university admitted that the library had not yet worked out a marketing philosophy.

Seven of the respondents expressed their marketing philosophy mainly in terms of promoting their services. The comment

that follows strongly suggests that the respondent sees marketing as largely a matter of selling the library's services:

We do not always publicise a new service/product for the sake of publicity. We prefer news of it to filter through so that a climate of "proven needs" could develop. A case in point is the introduction of INEG when we invited departments to a demonstration. To-day we have a core of users. We were not flooded with all sort of silly enquiries which would have happened if the service were advertised with a fanfare.

The remaining comments adopted a far more positive attitude towards the promotion of their services. They wanted to alert their users to what the library could offer in terms of its products (i.e. information resources) and services, and, inform them that these products and services supported the academic community in its tasks of teaching, study and research:

To alert all our library users to the resources and information available to them

To make our users aware of the services we offer - our resources and our professional skills

Make real and potential users aware of the benefits to be reaped from using the library and also what services are available or being offered

To promote the knowledge and use of the University's library and information services to be an effective support resource for the teaching and research programmes of the University

Information is an essential resource and input to effection [sic] [effective ?] and efficient teaching, learning and research. User [sic] should therefore be made aware and capable of using this resource to its full potential

Optimale bekendstelling van dienste; voortdurende kommunikasie met alle gebruikersgroepe en opleiding vir veranderende omstandighede

The last three comments also suggest that as part of its promotional activities, the university library should educate their users to use these resources effectively. There would be little sense in promoting the library's products

and services unless the users were capable of utilizing these resources to their fullest potential. In fact it is part of the promotional function to communicate information about the product to the consumers to encourage them to use it (cf 3.3.3.4.1 and last paragraph of 3.3.3.4.4).

Three respondents placed their marketing philosophy within the context of the service offered:

To provide as effective a service as possible with the available resources

The Library hopes it will market itself by giving as good a service as it possibly can with available resources

We do not talk about a marketing philosophy but of a service philosophy. We aim to provide the best services and promote this to library staff and users all the time

The underlying assumption of these three comments is that excellence of service alone ensures that the needs of the users will be satisfied. Perhaps the respondents would admit that in order to provide a good service it is necessary to identify the needs of the users. However, as these statements stand they fail to give expression to the marketing concept of achieving user satisfaction by providing a service that fulfills the identified needs of the users (cf 1.4.2, and 5.1,). A service that is considered to be good or effective simply because it adheres to certain professional and organizational standards of excellence does not necessarily satisfy the task-orientated needs of the users (cf 2.5.2). It should be part of the library's marketing philosophy that the users' needs must be continually assessed and identified.

Several of the respondents did however focus on identifying their users' needs, and some mentioned that this should be done within the constraints of the library's resources:

To render a successful service - client centered - we have to get to know their subject jargon. This creates confidence in the library which results in using the services available

Gestruktureerde bemarking, m.a.w. dienste ens. word bemark aan teikengroepe en met in agneming van die biblioteek se vermoë om diens te lewer. Bemarking hoofsaaklik intern en institusioneel

The Library actively and directly serves the University's purpose - the creation, preservation and transmission of knowledge. It markets its services by communicating purposes, policies, plans and services clearly and regularly to its user community, and by continually assessing the varied needs of its clientele

To provide for the identified needs of staff and students i.r.o. study and information resources, to use staff, funds, technology as effectively as possible within budgetary constraints, and to promote available services in the interest of all interested parties

The point made by the respondent in the first comment is that the users' frame of reference should be understood if the services offered by the library are to satisfy the needs of the users (cf 2.6.2). However, the importance of focusing on the identified needs of particular target groups is made clear by the remaining three comments. At the same time, the library's services can only be offered within the framework of its strengths and weaknesses - e.g. "met in agneming van die biblioteek se vermoë" and "within budgetary constraints" (cf 3.1.2 and 5.2.1.3). The last two respondents also pointed to the importance of promotional communication as part of their marketing philosophy.

7.2.9. Services marketing

7.2.9.1. The table

Respondents were asked to indicate whether they were familiar with the theory of services marketing, and, whether they considered that services marketing could be a useful part of marketing planning (cf Appendix A, questions 8.1 and 8.2). All of the respondents completed this question.

| | Yes | No |
|-----------------------------------|-----|----|
| Familiar with services marketing | 12 | 6 |
| Useful part of marketing planning | 10 | 1 |

The majority of respondents (66.7%) indicated that they were familiar with the concept of services marketing, although 33.3% that they were not familiar with this theory. Furthermore, only 55.6% of the respondents considered that services marketing was a useful part of marketing planning. One respondent qualified its position by means of a marginal note:

[Yes] the general principles [of services marketing] - though many aspects of the formalized approach are superficial

It is interesting to note that 38.9% of the respondents failed to indicate whether they considered services marketing to be part of marketing planning or not. It could be assumed that these respondents had felt services marketing not to be relevant. Only one of the respondents (5.5%) had indicated that they did not consider services marketing to be part of marketing planning. In effect, therefore, it could be argued that 44.4% of the respondents did not feel that services marketing was appropriate to marketing planning.

7.2.9.2. The comments

Eleven (61.1%) of the respondents commented on their use of services marketing in their marketing planning.

7.2.9.2.1. Problematic comments

It is not apparent from the following comment whether the respondent has an understanding of services marketing:

Subject Reference staff have reviewed their services on this [services marketing] basis

The respondent had made a marginal note to the effect that they were familiar with services marketing theory "to some extent". Since this is the same respondent who had made a marginal note concerning the superficiality of services marketing, it must be questioned whether in this particular library the principles of services marketing have been correctly applied.

7.2.9.2.2. Analysis of comments

Although three of the respondents claimed they were familiar with services marketing theory and considered it to be relevant to their marketing planning, they showed clearly by their comments that they in fact had not understood what services marketing was about. The one respondent's comment referred back to their marketing philosophy example which had stated that they did "not always publicise [sic] a new service/product for the sake of publicity". By implication this respondent was equating marketing with promotion, whether it be specifically services marketing or marketing planning in general. The following comment also does not convey any understanding of services marketing:

"Mainly by notices placed at strategic areas".

It is not very clear what would be the purpose of these notices, nor where they would be placed, apart from in strategic places. The third respondent commented that their "product mix mainly consists of service" and by way of explanation referred to their general comment, which had emphasized the traditional marketing planning activities without mentioning any of the services marketing principles.

A further two respondents, who had indicated their familiarity with services marketing theory, commented that they did not at present apply these principles in their libraries.

Of the remaining five respondents, two referred obliquely to the interactive relationship between the staff and the customers, which is one of the fundamental principles of services marketing:

We make use of and encourage regular contact with the Student's Representative Council, and with the editors of the student newspaper

Have created regular avenues of contact with users, e.g. questionnaires, personal contacts, a library newsletter

Although active and continuing contact between the organization's staff and its customers is an essential aspect of the interactive relationship in services marketing, the above comments give the impression that the respondents are essentially concerned with the promotion of their services. The above-mentioned promotional activities may clarify the needs of the customers, but would not necessarily foster an interactive relationship between the library staff and the users.

Only three of the comments reflected an appreciation for some of the principles of services marketing:

Personeelontwikkeling. Organisatiefilosofie.
Fakulteitsbibliotheekkomitees

Behoeftte-herkenning en dienste daarvolgens beplan met: 1) volledige betrokkenheid van personeel en 2) doeltreffende kommunikasie met gebruikers en personeel. Opnames kan help bv. Voorraadbou en samewerking met SR oor studente se siening van die Biblioteek.

Job enrichment through subject specialization by subject librarians has resulted in better liaison with users and a more satisfied clientele

It is interesting to note that all three respondents have focused on their personnel. In the first comment the development of personnel takes place within the framework of the organizational philosophy and the interaction with the users. The second comment focuses on personnel involvement in the library's interaction with its various users groups. The last respondent attributes the quality of the interaction between the library personnel and the users directly to the job satisfaction enjoyed by the personnel. In Chapter 4 it had been noted that the quality of service is to a large extent dependent on the attitude of the personnel towards the customers. The success of a service requires that it is marketed internally "so that the employees accept the service offering and thoroughly engage in performing their marketing duties" (Gronroos, 1978: 594). Hence the importance of developing the human resources of the service organization (Gummesson, 1987: 18) (cf 4.3.3.1). The above-mentioned three

respondents have given attention to the development of their personnel, which has led, according to the last respondent, to "a more satisfied clientele".

7.2.10. General comments

Of the eighteen questionnaires received from respondents, ten (55.6%) contained general comments concerning the marketing planning of their libraries (cf Appendix, question 9).

Two of those respondents who had made general comments were critical of marketing planning for libraries. The first respondent did not see the value of marketing planning for library management:

Marketing of library services - or even the library is a misnomer. Although the term is very much in vogue I think that each and everyone has a different idea of what it implies. Give a scientific sounding name to something that is not scientific and you address all sorts of uninformed lay people. I would prefer promotion of your library's efforts to serve the user. In that sense I cannot see what marketing has to do with it. [The respondent added a further comment in a covering letter] Good management - on all levels - deals with most of the aspects you have listed

The respondent implies that the theory of marketing has not been established and therefore "each and everyone has a different idea of what it implies". It is not clear whether the respondent considers marketing to be unscientific, or, whether it is unscientific to apply the principles of marketing to library management. The respondent obviously equates marketing planning with the general principles of management and therefore unnecessary from the library manager's point of view. The only aspect of marketing that the respondent finds useful is that of promoting the library's services "to serve the user". The respondent has apparently adopted the position that the users will be best served provided they know about the services offered by the library. The respondent, however, would seem to be ignoring the

fundamental principle of the marketing concept, viz., that the achievement of the organization's objectives can only be obtained by seeking to satisfy the identified needs of the users (cf 1.4.2).

The second respondent, from a large Afrikaans-medium university stated the opinion of library management as follows:

Like many management theories the basic premise [of marketing] makes sense and is what intelligent managers have been doing for years - the theories that are now offered as the final answer seem to be superficial, too complex and only fully relevant [sic] in selected cases

The underlying assumption of this comment would seem to be that marketing is something that intelligent managers do as a matter of good common sense. However, the respondent argues, the theories of marketing are irrelevant to the library situation and therefore not able to provide an answer to its problems.

Five respondents indicated that they were interested in marketing planning, and would possibly implement it in the future. One respondent claimed that the marketing planning of their library was still "in its infancy". Another respondent stated that they intended to work out a marketing philosophy for the library and to implement a marketing programme. A third respondent claimed that interest in marketing had been stimulated in their library after some of the staff had attended a seminar on the marketing of libraries given by a librarian from overseas. Yet another respondent stated that its marketing planning:

is still in the development stage ... and we are going to pursue the matter vigorously during this year and the near future

Similarly, the fifth respondent commented as follows:

I think that in future we will be forced more and more to plan according to sound marketing principles - an aspect which had not played such a prominent role in the past

This respondent seems to have come to the realization that the principles of marketing are of relevance to libraries.

It is not clear from the following comment whether the library manager, from another large Afrikaans-medium university, does implement the principles of marketing planning so ably described:

Omdat biblioteke diensorganisasies is en 'n "captive audience" bedien word beplanning vir bemarking soms agterwee gelaat. Om bemarking effektief en suksesvol uit te voer moet 1) Die rol van die Biblioteekdiens op kampus duidelik uitgeklaar wees en deur die Rektorat ondersteun word. 2) Bemarkingsstrategie op bogenoemde gebaseer word. 3) Behoeftes van die breet gebruikersgroep duidelik wees. 4) Bemarkingsaksies positief en kragtig deurgevoer word.

The respondent is of the opinion that because libraries serve a "captive audience" they tend to ignore marketing planning. It is therefore essential for the university library to clarify its role within the larger framework of the university community. This would be part of the library's environmental assessment, notably the political and financial environment, which forms the basis of the marketing strategy. The library should then ascertain the needs of broadly defined target users groups. It is interesting to note that the respondent seldom or never segmented according to behaviouristic, demographic and psychographic criteria, which probably accounts for the broadly based user groups mentioned in the above comment.

The last two respondents are also from Afrikaans-medium universities, the first a medium-sized and the second a large university:

Marketing is an ongoing process in our library

Since 1986 we are [sic] implementing a strategic management approach. This implies that environmental changes (including the market) should be monitored on a continual basis to revise our mission, goals, objectives, policies and action program - including marketing of services [sic] and products. We are hoping to develop a more detailed marketing plan in due course.

According to the questionnaire responses made by the first respondent of the above comment, marketing planning is applied consistently in the management of their library services. Similarly, the intent of the second comment is supported by all the questionnaire responses made by the respondent. The management of the library does assess the strengths and weaknesses of the library as well as the opportunities and threats of the external environment, and, the determinants of the library's market. Convinced by the efficacy of marketing planning, the last respondent intends to "develop a more detailed marketing plan" in the near future.

CHAPTER 8

THE MARKETING OF SOUTH AFRICAN UNIVERSITY LIBRARIES: CONCLUSIONS

8.1. SUMMARY OF CONCLUSIONS

8.1.1. Assessment of the library's strengths and weaknesses

The organizational resources analysis is an essential part of marketing planning since it enables the organization to identify its particular resource strengths as well as its weaknesses (cf 3.1.2). It is therefore interesting to observe that most university library managers do assess the resources of their libraries in terms of strengths and weaknesses. Although there were several problematic comments, a careful reading of these comments suggested that the respondents were in fact providing examples of significant strengths or weaknesses in their libraries' resources. It is then possible to conclude from the comments given that an overwhelming number of the respondents (92,6%) do assess the strengths and weaknesses of their libraries, although not necessarily regularly. All of the respondents assessed their human resources, whereas 94,1% assessed their financial resources, 94,1% assessed their material resources, and 88,2% assessed their organizational resources.

These findings are perhaps not unexpected since it was assumed that the respondents would be able to identify with this aspect of marketing planning. After all, as one of the respondents commented, any library manager who did not take into account the human, financial, organizational and material resources of the library was not worthy of the position he or she held. It was for this reason, viz., the anticipated familiarity of respondents with this aspect of marketing, that the traditional order of marketing planning was changed in the questionnaire and questions on the assessment of the library's strengths and weaknesses placed first rather than on the threats and opportunities of the environment.

8.1.2. Assessment of the library's market

Consumer market analysis involves understanding those psychological and social factors that determine consumer behaviour (cf 3.1.5). However, it must be concluded that in respect of the assessment of social factors the majority of responses are probably not a true reflection of the respondents, understanding of this concept. As already noted in Chapter 7 (cf 7.2.3.2.1), many respondents interpreted social factors as meaning environmental factors rather than cultural norms, attitudes and beliefs. Since the explanation given in the questionnaire of the significance of social factors in marketing was insufficient and the responses to this question therefore unsatisfactory, it has not been possible to ascertain how important this determinant of user behaviour is for university library managers. The 76.5% of respondents who indicated that they assessed social factors as a determinant of user behaviour could therefore have been significantly greater or smaller. Notwithstanding, a few respondents showed in their comments that they did recognize cultural differences and changes as determinants of user behaviour. It is noteworthy that 82.4% of the respondents indicated that they had assessed the psychological determinants of user behaviour. Of the comments that dealt with psychological determinants, four focused on user perception, specifically, and three on psychological factors in general.

8.1.3. Assessment of the library's external environment

The external marketing environment which consists of environmental factors such as the politico-legal, economic, sociocultural, demographic and technological must be assessed to determine those trends that are both favourable or threatening to the organization (cf 3.1.4). University library managers, however, seem to be somewhat less concerned about their external environment. From the comments and examples analyzed in this section, it is possible to

deduce that the respondents understood what is meant by the external marketing environment. In spite of this awareness relatively few respondents (66.2%) assessed their external environment either always or often. Since these are financially difficult times for university libraries, it would be a reasonable assumption to expect that greater attention would be given to the threats of the economic environment. Therefore the relatively low percentage of respondents (64.7%) who assessed the economic environment was somewhat surprising. However, nine of the respondents did identify in their comments and examples budgetary constraints, rising prices and disadvantageous exchange rates as economic threats to their libraries.

The respondents gave greater attention to the politico-legal environment (70.6%) and to the socio-cultural environment (70.6%), and, in their comments, identified these environmental factors as potentially threatening. One respondent, however, did perceive political and social changes to provide opportunities for the library. The number of respondents (58.8%) who assessed the threats and opportunities of the technological environment was lower than might have been expected from university library managers. In the comments technological opportunities were identified as being technological developments such as computerization and CD-ROM facilities.

8.1.4. Market segmentation

Target marketing involves the segmentation of the market into distinctive groups to facilitate the satisfaction of consumer needs (cf 3.2). All of the comments on segmentation criteria suggested that the respondents understood the significance of target marketing, and, accordingly, segmented their users largely by behavioural (66.7%) and geographical (72.2%) criteria. Apart from one comment on the rate of usage being used as a segmentation criterion, the remainder of the comments focused on user status. As was to be expected,

the comments concerned with geographic segmentation concentrated on the establishment of branch libraries. It is interesting to observe that demographic and psychographic criteria are hardly ever used by university libraries. In fact 61,1% of the respondents indicated that they never used psychographic criteria, and, 33,3% that they seldom used it. Similarly, 33,3% of the respondents seldom segmented according to demographic criteria, and 44,4% never segmented in accordance with these criteria.

8.1.5. Market position

Market positioning enables the organization to direct its product or service towards a specific segment of the market, ensuring thereby the satisfaction of customers' particular needs (cf 3.2.2). University libraries, however, do not appear to give much attention to this aspect of marketing planning. Only 50% of the respondents indicated that they market positioned their services, while a quarter of the respondents (27,8%) indicated that they never positioned their services. Again, the majority of the comments on market positioning indicated that the respondents understood this aspect of marketing. The comments on marketing positioning covered the physical positioning of the library, bringing the library service in harmony with the university's mission, offering services that are competitive, providing longer library hours, and, offering an additional service ("snoepie by biblioteek ingeruim") to attract users away from the competition.

8.1.6. Marketing mix strategy

8.1.6.1. Product

From the interesting and informative comments on the product life cycle, it could be inferred that at least 66.6% (i.e. twelve) of the respondents understood clearly the significance of this concept. The comments on the life cycle concept

referred to the growth of the information, the short loan, the catalogue and the periodicals services.

8.1.6.2. Price

If those respondents who failed to comment on the intangible cost of services for their users are taken into account, then it can be concluded that only 61.1% of the respondents (i.e. eleven) understood this concept. However, it would appear from their comments, only 55.6% of the respondents, when planning their services, actually kept in mind the intangible cost that these services would incur for the user. Three of the comments acknowledged that users were faced with potential intangible costs when using newly-introduced library services, while five respondents indicated in their comments that they tried to reduce the cost of time and effort for the users of the library services. Two respondents commented that they considered the price for their services to compare favourably with competitive services.

8.1.6.3. Place

Allowing for the three respondents who had not commented on this section as well as the respondent whose example of inter-library loans did not seem appropriate, 77.8% of the respondents included convenience of place as part of their planning and development of library services. Examples that were given to facilitate convenience of place included easy physical access through the provision of branch libraries or the placement of services within convenient reach of the users. Some respondents facilitated access to information for the users by placing subject-related materials together, and, one respondent even provided seating near these collections.

8.1.6.4. Promotion

Apart from the respondent whose comment reflected a lack of understanding of what promotion means, a significantly large

number of respondents' (81,1%) comments and examples indicated that they utilized promotional tools. Personal contact (100%) and publicity (94,4%) were the promotional tools used most, and sales promotion (83,3%) and public relations (77,8%) were only slightly less popular, while a mere 50% of the respondents used advertising. For those respondents who utilized personal contact as a promotional tool, the examples they mentioned included the attendance by librarians of faculty and departmental meetings, and, meetings with the Student Representative Council as well as with the deans of various faculties. The form of publicity most utilized by respondents was the distribution of library brochures about services offered, while newsletters and bulletins were most frequently adopted for public relations. An interesting example was given by one respondent as to how sales promotion devices such as free rulers, library bookmarks, posters and book displays were used during their Library Week campaign. Several respondents claimed to use all of the promotional tools of advertising, publicity, public relations, sales promotion and personal contact.

8.1.7. Marketing philosophy

Of the fifteen respondents (83,3%) who offered satisfactory comments on their marketing philosophy, one respondent maintained that the library had yet to work out its marketing philosophy, seven respondents expressed their philosophy in promotional terms, three placed their philosophy within the context of the service offered, and, four stated their philosophy in terms of the identified needs of their users. Only the comments made by the latter four respondents really reflected an appreciation of one of the fundamental aspects of the marketing concept, viz., the achievement of user satisfaction by providing a service that fulfills the identified needs of the users. These four respondents represent only 22,2% of the eighteen who had taken part in this survey. From these comments, therefore, it can be concluded that only a minority of university libraries are able to offer a satisfactory marketing philosophy.

8.1.8. Services marketing

Considering that services marketing is not extensively covered in marketing textbooks, it was rather surprisingly that 66.7% of the respondents indicated that they were familiar with the principles of services marketing, while 55.6% indicated that they considered these principles to be applicable in marketing planning. However, only three respondents (16.7%) provided comments that reflected satisfactorily an appreciation of the principles of services marketing. For the moment, it would seem, that university library managers are still relatively unfamiliar with the principles of services marketing.

8.1.9. General comments on marketing

Since respondents had an opportunity to add any further comments on the marketing of their libraries, it must be assumed that those respondents who had failed to comment are not actively committed to the marketing of their libraries. Only ten respondents (55.6%) made general comments on the marketing planning of their libraries. Of these, two respondents were critical of marketing for libraries, while five respondents alleged that they were interested in marketing but intended implementing it only in the near future. It would, therefore, seem that only three of the respondents (16.7%) are actively engaged to some degree in marketing planning for their libraries. It is to be noted that these three respondents are from the Afrikaans-medium universities, two from the large-sized and one from the medium-sized grouping.

8.2. REVIEW OF PURPOSE

In Chapter 1 it was stated that this study had a twofold purpose (cf 1.2), viz.: in the first place, to establish whether the assumption is correct that university library managers in South Africa do understand the main tenets of

marketing, and, secondly, to determine whether these librarians actually do implement some or all of the principles of marketing in the management of their libraries.

8.2.1. University library managers understanding of marketing

Considering the comments made by the respondents, it may be concluded that the management of South African university libraries have a general understanding of the main marketing tenets; notably, the assessment of organizational resources, the determinants of user behaviour (at least the psychological factors) and the external marketing environment, as well as the segmentation of the market and market positioning. However, only a small percentage of university library managers appeared to understand the marketing mix, particularly the marketing mix elements of product, price and place. According to the analysis, 66.6% of the respondents showed an understanding of the product cycle concept, 61.1% understood the concept of the intangible cost of price, and, 77.8% understood the importance of convenience of place. However, a significant majority of respondents (94.4%) showed by their comments that they understood promotion. At the same time, only 22.2% of the respondents demonstrated an understanding of marketing philosophy, and, only 16.7% exhibited some understanding of services marketing. Consequently, although university library managers indicated some understanding of the various components of marketing planning, it must be concluded that at present only a small minority have a good grasp of the fundamental principles of marketing. These conclusions, however, are only of a tentative and exploratory nature, and, within the framework of the present study, it has not been possible to quantify these conclusions more accurately.

8.2.2. The marketing of university libraries

According to the general comments offered on marketing by the respondents, only 16.7% have actually consciously

implemented, to some extent, formal marketing planning in their libraries. Accordingly, taking into consideration the findings of the survey, it can be concluded that the greater majority of university library managers (i.e. 92,6% of the respondents) assess their organizational resources and a large majority (79,4% of respondents) assess the determinants of user behaviour. However, fewer university library managers assess the external environment (66,2% of respondents) and segment their users into target groups (between 66,7% and 72,2% of respondents), while only half market-positioned their services (50% of respondents). Furthermore, as noted in the above paragraph, only 22,2% of the respondents showed an understanding of the marketing philosophy, and, 16,7% an understanding of services marketing. Therefore, from this analysis it is apparent that South African university library managers to a greater or lesser extent do carry out some of the main activities of marketing planning, although, for the present, they do not necessarily consider that they are implementing formal marketing in their libraries. At this time, only a small minority of university libraries are actually engaged in some formal marketing. Again, these conclusion are tentative and exploratory, but, it would seem, are indicative of the present situation in South Africa.

8.3. RECOMMENDATION FOR FURTHER RESEARCH

Keeping in mind the exploratory nature of this study, the following further research in this field is recommended:

That at some future stage it should be established whether during the intervening years any further formal marketing has been implemented by university libraries in South Africa, and, the degree of success that such marketing in the opinion of the respondents has achieved.

That it should be ascertained at some future stage whether the three university libraries presently engaged in marketing have continued to implement it, and, the success that such marketing in the opinion of the respondents has achieved.

Apart from these more general studies, it would be particularly useful if studies of individual university libraries engaged in formal marketing were undertaken. Quantitative measurements, if practical, should be used to determine the extent that user satisfaction has improved as a direct consequence of marketing.

Similar studies such as the present exploratory study and other more specific studies as suggested above, should be undertaken with other types of libraries such as research, special and public libraries.

APPENDIX A

THE MARKETING OF UNIVERSITY LIBRARIES

Questionnaire

CONFIDENTIALITY OF INFORMATION WILL BE RESPECTED. INDIVIDUALS OR SPECIFIC LIBRARIES WILL NOT BE REFERRED TO BY NAME IN THE RESEARCH STUDY.

Date of return: Not later than 15 June 1990

SECTION I: MARKETING

1 ASSESSMENT OF THE UNIVERSITY LIBRARY'S STRENGTHS AND WEAKNESSES

As part of its marketing plan, the university library should identify the major human, financial, material, and organizational resources it possesses (i.e. its *strengths*), or, it lacks (i.e. its *weaknesses*). For the university library, the strengths or weaknesses of its *human resources*, could denote for instance, having adequate qualified library staff; of its *financial resources* could be, eg, the adequacy of library funding, and so on; of its *material resources* could be, eg, the quality of its collections, services, accommodation, and so on; and of its *organizational resources* could be, eg, a participative management style, effective organizational communication with its staff, and so on.

- 1.1 Does your library assess the *strengths* and *weaknesses* of its internal resources before embarking on the development of a library product or service? Please TICK (✓) your response:

| | Always | Often | Seldom | Never |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Human resources | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Financial resources | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Material resources | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Organizational resources | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- 1.2 If you in anyway DO ASSESS the resources of your library, please give an EXAMPLE of either a significant *strength*, or, significant weaknesses of your library in terms of good service provision for your users:

2 ASSESSMENT OF THE UNIVERSITY LIBRARY'S MARKET

Following on the assessment of its strengths and weaknesses, the university library should identify *what influences* the use of its services. Library usage is assumed to be influenced by a number of psychological and sociocultural factors. For the university library, the *psychological factors* that influence library usage, for instance, could include motivation (e.g. the need for information); perception (i.e. users' view of the library); learned behaviour (i.e. users' previous experience of library services); and so on. The *social factors*, for instance, could be the user's membership of the academic community as a student, researcher, or specifically as an engineer or theologian, and so on.

- 2.1 Does *your* library assess the *psychological* and *social factors* that influence user behaviour before embarking on the development of a library service? Please TICK (✓) your response:

| | Always | Often | Seldom | Never |
|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Psychological factors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Social factors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- 2.2 If you DO ASSESS the *psychological* and *social* influences that determine library usage, please give an EXAMPLE of ONE significant influences identified by your library:

3 ASSESSMENT OF THE UNIVERSITY LIBRARY'S EXTERNAL MARKETING ENVIRONMENT

As part of its marketing planning, the university library should also assess the *threats* (adverse situations/trends) and *opportunities* (favourable situations/trends) of its external environment, viz: the economic, politico-legal, social, and technological factors. For the university library, possible threats and opportunities of the *economic environment*, could be for instance, budgetary constraints, inflationary book prices, and so on; of the *politico-legal environment* could be, eg, the national educational policy emphasis on research in academic institutions, access to information (copyright); and so on; of the *sociocultural environment* could be, eg, the cultural diversities on campus, perceived inequities in pre-tertiary education, and so on; and of the *technological environment* could be, eg, local area networks (LANs), expert systems, and so on.

3.1 Does *your* library undertake a formal assessment of the *threats* and *opportunities* of its external environment? Please TICK (✓) your response:

| | Always | Often | Seldom | Never |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Economic environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Politico-legal environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sociocultural environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Technological environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3.2 If you DO ASSESS your external environment, please give an EXAMPLE of ONE significant *threat* or, ONE significant *opportunity* which your library has identified:

4 MARKET SEGMENTATION

Market segmentation, which is an important part of marketing planning, entails the division (segmentation) of the university library's users into distinctive groups (target groups) according to those characteristics which they have in common (segmentation criteria), viz: behaviouristic, geographic, demographic, and psychographic.

4.1 Does *your* library segment its users into distinctive groups (target markets) according to the following *segmentation criteria*? Please TICK (✓) your response:

(a) Behaviouristic segmentation criteria

Behaviouristic segmentation is based on the users' relationship with the university library's services and could include, for instance, the benefit sought when using a service (eg books borrowed to complete an assignment); user status (eg regular, potential, first time users); the rate of usage (light, moderate or heavy) of a library service or product; and so on.

| Always | Often | Seldom | Never |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(b) Geographic segmentation criteria

Geographic segmentation divides the market according to regions, neighbourhoods, population density, and so on. For the university library this could include, for instance, the establishment of branch or departmental libraries.

| Always | Often | Seldom | Never |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(c) **Demographic segmentation criteria**

Demographic segmentation divides the market according to such criteria as education, gender, and income. For the university library this could include, for instance, the differing educational standards amongst university entrants; the changing balance of the sexes on campus; differential income of users affecting their ability to pay for such services as online searching; and so on.

| | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Always | Often | Seldom | Never |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(d) **Psychographic segmentation criteria**

Within the same demographic or geographic group very different psychographic profiles can be established, based on social class (eg influence of income, educational, occupational level, etc); life-style (eg influence of individual's interests, activities, and opinions); and personality (eg submissive, aggressive personality).

| | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Always | Often | Seldom | Never |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.2 If you DO SEGMENT your users into target markets, please give an EXAMPLE of ONE *segmentation criterion* (as listed above) that was used to define a target market for your library:

5 MARKET POSITION

After identifying the university library's target markets, it is essential to ascertain whether its services are faced with *any* other products and services that *compete* for the user's time and patronage (eg sport facilities, the cafeteria, laboratory practicals, etc). This is known as positioning the library service in relation to its competition.

5.1 Do you position your library's services as part of your marketing strategy? Please TICK (✓) your response:

| | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Always | Often | Seldom | Never |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

5.2 If you DO POSITION your library's services, please give an EXAMPLE of how your library has positioned itself in the market as part of its marketing strategy:

6 **MARKETING MIX STRATEGY**

The marketing mix strategy consists of four components, viz, product, price, place and promotion, which are blended to satisfy the needs of the target market.

6.1 **The library's products**

The *product cycle concept* enables one to define whether a particular product, or service, is in the introductory, growth, maturity or decline stage of its development.

IF APPLICABLE, please give an EXAMPLE of how the product cycle approach has helped you to determine whether a change in strategy is required for any ONE of your library's products or services.

6.2 **Pricing the library's services**

Apart from its monetary value, *price* can also be viewed as an *intangible cost to the user* when using the library's services (eg the user's time, inconvenience, etc).

IF APPLICABLE, please describe, briefly, HOW this concept of *intangible cost* has been used by your library:

6.3 **Place, or the distribution of the library's services**

Convenience has been identified by marketing theorists as constituting one of the crucial aspects of place in the marketing mix.

IF APPLICABLE, please give an EXAMPLE of how this concept of *convenience for the user* has been used when planning and developing any ONE of your library's services:

6.4 Promotion of the library's services

Promotion can be defined as communicating with the market about the library's services and products.

6.4.1 Please indicate with a TICK (✓) which of the following promotional tools are HEAVILY USED, MODERATELY USED, SELDOM USED, or NOT USED to communicate with the users concerning library services?

| | Heavily used | Moderately used | Seldom used | Not used |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Advertising (eg campus newspaper, posters, etc) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Publicity (eg brochures) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Public relations (eg PR newsletter, VIP library tours, etc) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sales promotion (eg library displays) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal contact (eg consultation with librarians; visiting academic departments, etc) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Any other (please specify) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please give an EXAMPLE of how the abovementioned promotional tools were used either singly, or, in combination to communicate with your users:

7 MARKETING PHILOSOPHY OF UNIVERSITY LIBRARIES

Please describe briefly what is the marketing philosophy of your library:

8 SERVICE MARKETING

Service marketing theory is concerned with the *interaction* between the service organization and its customers, as well as with satisfying the *needs* of the organization's *own personnel* to ensure the quality of its service.

8.1 Please indicate with a TICK (✓) whether you are *familiar* with service marketing theory:

☐

YES, I am familiar with service marketing theory

☐

NO, I am not familiar with service marketing theory

8.2 If your answer to the above (8.1) is YES, please indicate with a TICK (✓) whether you consider service marketing to be a useful part of marketing planning:

☐

YES, I consider service marketing to be a useful part of marketing planning

☐

NO, I do not consider service marketing to be a useful part of marketing planning

8.3 If your answer to the above (8.2) is YES, please give an **EXAMPLE** of how you have used service marketing in your marketing planning:

SECTION II: GENERAL COMMENTS

9 Please add any further comments that you may have concerning the marketing planning of your library:

Respondent's position (job title):

Thank you for taking the time to complete the form. Your cooperation is sincerely appreciated.

Please return to:

*Mr Matthew Syphus
Medical Library
University of Stellenbosch
P O Box 91
TYGERBERG
7505*

Stamped and addressed envelope enclosed



APPENDIX B
UNIVERSITEIT VAN STELLENBOSCH
UNIVERSITY OF STELLENBOSCH

247

Fakulteit Geneeskunde
Faculty of Medicine

POSBUS
P O BOX 91
TYGERBERG
7505
SUID-AFRIKA / SOUTH AFRICA

TEL.: 931-3131
Faks / Fax: (021) 931-7810
GENEESKUNDE BIBLIOTEEK
MEDICAL LIBRARY

DATA THESIS.DOC

16 May 1990

VERW. / REF.:

ADDRESS

Dear NAME

In recent years several papers have been read at various SAILIS national conferences on the marketing of libraries, including academic libraries. Similarly, over the past five years a number of articles have appeared on the topic in the South African journal of library and information science.

A striking feature of these papers and articles is the underlying assumption that the audience and readers are familiar with the marketing concept. The question therefore inevitably arises as to whether academic librarians actually find the concept of marketing useful when planning and managing the services of their libraries.

Your friendly co-operation, however, is needed to help determine just how relevant marketing is for the academic librarians of South Africa. All that I require from you is to give your opinion honestly and frankly when answering the enclosed questionnaire, which should take about 30 minutes to complete.

This survey is part of my research for the MBibl degree, registered with the School of Librarianship, University of Cape Town. My promoter is Mrs Dorothy Ivey.

Thank you for the time spent in filling out this questionnaire. Could you please return the completed questionnaire in the enclosed stamped and self-addressed envelope, at your earliest convenience, or, not later than 15th June 1990. If you have any difficulty answering the questionnaire, please do not hesitate to contact me at tel. (021) 931-3131 ext. 366.

Yours sincerely

MATTHEW SYPHUS

(Mrs) Dorothy Ivey
Promoter



APPENDIX C

UNIVERSITEIT VAN STELLENBOSCH
UNIVERSITY OF STELLENBOSCH

Fakulteit Geneeskunde
Faculty of Medicine

POSBUS
P O BOX 91
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TEL.: 931-3131
Faks / Fax: (021) 931-7810

GENEESKUNDE BIBLIOTEËK
MEDICAL LIBRARY

DATA TESIS.DOC

16 Mei 1990

VERW. / REF.

ADRES

Geagte NAAM

'n Aantal referate oor biblioteekbemarking is gedurende die afgelope paar jaar by verskeie SAIBI nasionale kongresse gelewer. Gedurende die afgelope vyf jaar het daar ook 'n hele aantal artikels oor hierdie onderwerp verskyn in die Suid-Afrikaanse Tydskrif vir Biblioteek- en Inligtingkunde.

'n Opvallende kenmerk van hierdie referate en artikels is die onderliggende veronderstelling dat toehoorders en lesers reeds vertrouwd is met die bemarkingskonsep. Die vraag wat dus onwillekeurig ontstaan, is of akademiese bibliotekarisse inderdaad gebruik maak van die bemarkingskonsep in die beplanning en bestuur van hul biblioteekdienste.

Ek benodig u vriendelike samewerking in my poging om te bepaal presies hoe relevant bemarking vir die akademiese bibliotekarisse van Suid-Afrika is.

Ek verlang slegs dat u die vrae op die ingeslote vraelys absoluut eerlik sal beantwoord. Dit sal ongeveer 30 minute van u tyd in beslag neem. Indien u so sou verkies, staan dit u vry om die vraelys in Afrikaans te beantwoord.

Hierdie steekproef is deel van my navorsing vir die MBib1 graad, geregistreer by die School of Librarianship, University of Cape Town. My promotor is mev. Dorothy Ivey.

Dankie vir die tyd wat u so goedgegunstiglik afstaan om die vraelys te voltooi. Sal u dit asseblief na voltooiing in die ingeslote gefrankeerde, geadresseerde koevert plaas en so gou as moontlik, maar nie later as 15 Junie 1990 nie, aan my terugstuur. Indien u enige probleme ondervind met die beantwoording van die vraelys, kan u my kontak by tel. (021) 931-3131 bylyn 366.

Met dank
Die uwe

MATTHEW SYPHUS

Dorothy Ivey (mev)
Promoter

APPENDIX D

LIST OF UNIVERSITY LIBRARIES

Miss E M van der Linde
University Librarian: Durban
University of Natal
DURBAN

Miss C Vietzen
Library
University of Natal
PIETERMARITZBURG

Mr A S C Hooper
University Librarian
University of Cape Town
CAPE TOWN

Prof R Musiker
University of Witwatersrand
JOHANNESBURG

Mr B G Paterson
University Librarian
Rhodes University
GRAHAMSTOWN

Mr R Moropa
Acting Librarian
University Library
University of the Transkei
UMTATA

Miss C M Allardice
University Librarian
University of Fort Hare
ALICE CISKEI

Mr D O Bampoe
University Librarian
University of Bophuthatswana
MAFIKENG

Dr S A Brink
University Librarian
University of Venda
SIBASA VENDA

Mr J K Tsebe
University of the North
SOVENGA

Mnr J C Cronje
Biblioteek
Universiteit van Port Elizabeth
PORT ELIZABETH

Prof C J H Lessing
Biblioteek
Potchefstroomse Universiteit vir CHO
POTCHEFSTROOM

Prof J Willemse
Direkteur: Biblioteekdienste
UNISA
PRETORIA

Prof E D Gerryts
Direkteur: Biblioteekdienste
Universiteit van Pretoria
PRETORIA

Mev A M Dippenaar
Direkteur van Biblioteekdienste
Universiteit van die OVS
BLOEMFONTEIN

Prof J H Viljoen
Direkteur: Biblioteekdienste
Universiteit van Stellenbosch
STELLENBOSCH

Prof H O K Zastrau
Direkteur Biblioteekdienste
Universiteit Vista
PRETORIA

Dr R de Wet
Universiteit van Durban-Westville
DURBAN

Mnr C M Vink
Hoofuniversiteitsbibliotekaris
MEDUNSA

Dr P Minnaar
Universiteitsbibliotekaris
Universiteit van Zoeloeland
KWA DLANGEZWA

Mnr R W Pfeiffer
Universiteit van Wes-Kaapland
BELLVILLE

Prof P Aucamp
Biblioteek
Randse Afrikaanse Universiteit
JOHANNESBURG

APPENDIX E

SELECT LIST OF SOURCES CONSULTED

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